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Item 14 (a) of the provisional agenda*

Social and human rights questions: advancement of women

Report of the Board of Trustees of the International Research and Training Institute for the Advancement of Women**

Owing to the critical situation affecting the International Research and Training Institute for the Advancement of Women (INSTRAW), the twenty-second session of the Board of Trustees has not yet taken place. However, by means of electronic communications, the Board of Trustees approved a document entitled "Brief on INSTRAW developments during 2002 and current status" prepared by INSTRAW (annex).

* E/2003/100.

** The document was submitted late to conference services due to the postponement of the Board session.



Annex

Brief on INSTRAW developments during 2002 and current status of the Institute

I. Introduction

1. The present document provides information on the implementation of the work programme of the International Research and Training Institute for the Advancement of Women (INSTRAW), as well as on management, administration and finance-related matters during the period January 2002-April 2003. The brief also highlights major institutional developments and challenges that have emerged in the course of the reporting year.

II. Developments relevant to the institutional structure of the United Nations International Research and Training Institute for the Advancement of Women

2. In its resolution 56/125 of 19 December 2001, the General Assembly decided to establish a working group composed of representatives from each of the five regional groups of the United Nations to make recommendations on the future operation of the Institute. The Working Group was established in July 2002 and its report was submitted to the General Assembly at its fifty-seventh session (A/57/330 and Add.1). The Working Group recommended, *inter alia*, that:

(a) The Economic and Social Council amend the Statute of INSTRAW in accordance with paragraphs 52, 53 and 55 of the report;

(b) The amount of \$500,000 be allocated from the regular budget of the United Nations to finance the Institute's core activities;

(c) The feasibility of establishing an advisory board to replace the Board of Trustees be examined;

(d) The Secretary-General appoint a director, to be based at INSTRAW headquarters in Santo Domingo;

(e) A liaison with the Department of Economic and Social Affairs be established;

(f) INSTRAW take concrete measures to revitalize its activities in close collaboration with other United Nations bodies working in the field of gender equality and the advancement of women.

3. In December 2002, the General Assembly adopted its resolution 57/175, in which the Assembly endorsed the above recommendations contained in the report of the Working Group, decided to extend the Working Group's mandate in order to follow up the implementation of the measures referred to above and requested the Working Group to submit a preliminary report on the implementation of those measures to the Commission on the Status of Women at its forty-seventh session.

4. At the same session, the General Assembly, in paragraphs (b), (c) and (d) of its decision 57/580 of 20 December 2002 on the future operation of INSTRAW:

(b) Approved in the context of the consolidated statement of programme budget implications, a charge in the amount of \$250,000 against the contingency fund to finance core activities of the Institute, defined as the salaries and common staff costs of the four Professional posts currently in the staffing table;

(c) Decided that an amount of \$250,000 would be set aside in the contingency fund for the current biennium, as an additional provision to the Institute for core activities in 2003, which brought the total amount to \$500,000, pending firm pledges and/or payments of voluntary contributions necessary for the viable operation of the Institute;

(d) Requested the Secretary-General to report to the General Assembly, through the Fifth Committee, before the end of its resumed fifty-seventh session, on the financial situation of the Institute, including the status of voluntary contributions to meet the resource requirements necessary to ensure its viability and to consider the additional charge against the contingency fund referred to in paragraph (c) above.

5. On 12 February 2003, Mr. Nitin Desai, Under-Secretary-General for Economic and Social Affairs, convened a meeting of donors and interested delegations to inform them on the financial situation of INSTRAW and solicit voluntary contributions. During the meeting, the Government of Spain pledged a contribution of \$100,000 to be followed by another contribution in a similar amount, once a director is appointed. The Government of Venezuela reaffirmed its pledge of \$5,520.

6. In compliance with General Assembly resolution 57/175, the Working Group submitted its report to the Commission on the Status of Women at its forty-seventh session (A/AC.266/1), which contained the actions undertaken by the Group to implement the measures mandated in General Assembly resolution 57/175. In its report, the Group highlighted the need for the Economic and Social Council to amend the Statute of INSTRAW.

7. The Commission on the Status of Women, in its decision 47/101, took note of the report of the Working Group and recommended to the Economic and Social Council that it consider the reports of the Working Group under the appropriate agenda item of its substantive session of 2003.

III. Implementation of the work programme and the budget for 2002

8. During 2002 and the first quarter of 2003, INSTRAW has implemented a modest but relevant programme of work consisting of the following activities:

A. Research and training

1. Gender and information and communication technologies

9. As a contribution to the World Summit on the Information Society to be held from 10 to 12 December 2003 in Geneva, gender aspects of access and use of information and communication technologies (ICTs) and their impact on women's empowerment, have been one of the major activities of INSTRAW during 2002. The research explored whether and how ICTs are a useful tool for women's

empowerment, through the elaboration of five background papers and a series of virtual seminars that took place over a period of 10 weeks. The research addressed issues such as: the social context of information and communication technologies and their impact on women; the management and regulation aspects of ICTs; and the constituents of enabling/disabling environments, among others. It also proposed ways in which ICTs can better serve as an important tool for women's empowerment and for closing the gender digital gap.

10. The initial results of the research were presented at the Division for the Advancement of Women/International Telecommunication Union expert group meeting on information and communication technologies and their impact on and use as an instrument for the advancement and empowerment of women, held in the Republic of Korea from 11 to 14 November 2002. Based on the research findings contained in the background papers and the summaries of discussions from the virtual seminars, INSTRAW prepared a research paper entitled "Overcoming the gender digital divide: ICTs as tools for women's empowerment" that will be made available to Member States at the World Summit on the Information Society. In addition and as part of this research programme, INSTRAW prepared a special collection of resources on gender and ICT issues, featuring numerous books, articles and research findings in English, French and Spanish, which is available through the Institute's web site.

2. Men's roles and responsibilities in ending gender-based violence

11. Another collaborative research undertaking carried out by INSTRAW during 2001 and 2002 explored the issue of gender-based violence from the perspective of men's roles and responsibilities. The results of this project are compiled into a single volume entitled *Partners in Change: Working With Men to End Gender-Based Violence* which was launched on 5 March 2003 during the forty-seventh session of the Commission on the Status of Women in New York. Rather than focusing on issues and strategies for coping with the consequences of gender-based violence, this publication explores the causes of it in relation to the ways in which men and masculinity are socially constructed and how these, in turn, influence men's violent behaviour. It concludes that strategies to eliminate gender-based violence must involve men in partnerships. Some of the individual, institutional and structural changes that are required for this are discussed in the publication, as are concrete ways in which men can become partners, with each other and with women, in making these changes. INSTRAW hopes that this publication will stimulate further discussion on the issue and promote both policies and actions aimed at ending gender-based violence through partnerships between women and men.

3. Men's roles and responsibilities in women's sexual and reproductive health

12. In follow-up to the above-mentioned INSTRAW project on men's roles and responsibilities in ending gender-based violence, INSTRAW is currently finalizing a study on men's roles and responsibilities in women's sexual and reproductive health. This study documents and analyses the main issues around men's involvement in women's sexual and reproductive health, including with regard to sexually transmitted diseases and HIV/AIDS. Through the findings of this research, INSTRAW hopes to raise awareness about the importance of men's role in this area, and in doing so, help promote gender-sensitive policy-making and action. The study will be made available for distribution in the second quarter of 2003. In addition,

INSTRAW has also prepared a special collection of web-based resources, currently featuring numerous documents, books and articles in English, French and Spanish, that relate to the issue of men and their roles and responsibilities in women's sexual and reproductive health. This collection is accessible through the Institute's web site.

4. Gender aspects of ageing

13. Following up on the Second World Assembly on Ageing, held in Madrid in April 2002, and in continuation of its past work on the issue of ageing, INSTRAW carried out a series of research, information and networking activities that addressed some of the gender aspects of the process of ageing. In particular, it addressed the issue of violence against older women, an issue that calls for increased national and international policy engagement and action. Through an electronic discussion forum on the gender aspects of violence against older persons which engaged researchers, activists and people from different support networks, INSTRAW was able to document and analyse different aspects of the issue.

14. In order to engage the forum participants in a focused and fruitful discussion, INSTRAW prepared a background paper entitled "Violence and abuse in the lives of older women: is it elder abuse or violence against women? Does it make any difference?" This research paper looks at the interrelationship between gender, age, power and violence and outlines the main causes of violence against older women, as well as its impact on the lives of older women. The discussion forum resulted in a synthesis paper summarizing the main threads of the discussion and recommendations for research, policy and practice. Both papers are available on the Institute's web site. In addition, the Institute prepared a special collection featuring resources in English and Spanish on various gender aspects of ageing. These resources, in addition to the above-referenced papers, are also available on the INSTRAW web site.

5. Gender aspects of environment and sustainable development

15. As a contribution to the World Summit on Sustainable Development, held in August 2002 in South Africa, INSTRAW undertook research and information, dissemination and networking activities that included, among other things, the preparation of a collection of resources, featuring numerous books, articles and research findings in English and Spanish on issues relevant to gender and sustainable development. Additionally, the Institute prepared a study outlining the major conceptual and theoretical trends, emerging issues, challenges and research gaps in the area of gender and sustainable development. This study is currently being finalized for publication and will be made available for wide distribution in the second quarter of 2003.

6. Gender dimensions of conflict and peace

16. In support of the United Nations Security Council session on the follow-up to its resolution 1325 (2000) on women, peace and security in October 2002, INSTRAW prepared a special collection of resources on gender aspects of conflict and peace which contains numerous resources in English, French and Spanish. The collection is easily accessible through the INSTRAW web site. INSTRAW plans to further develop these valuable resource pages and engage in research on and

analysis of some critical gender aspects of conflict resolution and prevention. The outputs will be made available to Member States and United Nations agencies as a resource for the preparations of the forty-eighth session of the Commission on the Status of Women, in 2004, which will discuss the theme of women's equal participation in conflict prevention, management and conflict resolution and in post-conflict peace-building.

7. Gender aspects of financing for development

17. As a follow-up to the International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002, INSTRAW is currently preparing a study that analyses the outcome document of the Conference, as well as other relevant conference material, including work done by the Inter-Agency Task Force on Financing for Development in preparation of the Conference, with a view to refining further the main gender issues and concerns in the area of financing for development. The study aims to propose recommendations on critical issues that could form the basis of a strategy plan for integrating gender into the financing for development agenda. It is expected to be finalized and prepared for publication in the second half of 2003.

8. Expert group meeting on new strategies for gender training and capacity-building

18. For the purpose of developing the INSTRAW work programme in the area of training and of taking stock of gender training and capacity-building initiatives within and outside of the United Nations and identifying current gaps and needs in the field, INSTRAW is organizing an expert group meeting on new strategies for gender training and capacity-building, to be held at the Institute's headquarters in Santo Domingo in the second half of 2003. Representatives of United Nations entities and other international organizations, NGOs and trainers have been invited to participate.

19. At the meeting, four experts will present papers focusing on the following:

- (a) Existing training and capacity-building materials on gender issues from within and outside of the United Nations;
- (b) Gender training needs and gaps, determined by conducting literature reviews and surveys, among other instruments; and
- (c) Use of ICTs for training and capacity-building, the pros and cons, including information on the technological infrastructure required.

20. The meeting will identify the main elements for a gender training and capacity-building strategy for INSTRAW for 2003 and beyond.

B. Networking and information dissemination

1. Expansion and consolidation of networks

21. Efforts have been made to maintain and consolidate INSTRAW networks, including regional nodes, research organizations and individual researchers, trainers and training organizations, and ICT specialists.

2. Information dissemination

22. The Institute has continued to position itself as an important source of information dissemination and sharing, through the different Gender Awareness Information and Networking System (GAINS) components and the use of Internet-based tools. As mentioned earlier, all of INSTRAW major research programmes have contained an information and knowledge dissemination component through the creation of the special collections of resources on relevant gender issues. More specifically, the Institute undertook the following activities in this area.

Gender Awareness Information and Networking System

23. On a continual basis, information on ongoing and upcoming research projects and training activities on gender-related topics is exchanged on this list. This list is also used to alert members to calls for papers and relevant meetings and, on occasion, requests for assistance in identifying research partners. All messages posted to the list are archived and are accessible through the INSTRAW web site.

24. Since February 2002 when the list had 257 subscribers, an additional 74 subscribers have been added for a total of 331 subscribers as of March 2003.

INSTRAW News

25. During the reporting period, the Institute's newsletter, *INSTRAW News*, produced in an electronic format, has been issued twice monthly in English and in Spanish. Each issue is sent out to members of the lists, as well as being archived on the web site.

26. The number of subscribers as of March 2003 for each language version of the electronic newsletter is as follows:

INSTRAW News — 553 subscribers

Noticias del INSTRAW — 331 subscribers

GAINS in other languages

27. During the reporting period, the Institute completely restructured and redesigned its web site, which hosts GAINS. Navigation and content were simplified as INSTRAW opted for a user-friendly design and display of GAINS products. The new GAINS site was then translated into French and Spanish. Since then, all new research papers and information featured on the English site has been continuously translated into the French and Spanish languages and fed into the corresponding web sites. In this manner, INSTRAW has managed to respond to its mandate to provide GAINS and its web-based information in the official languages of the Institute.

3. Participation in substantive meetings

28. During the period under review, INSTRAW continued to enhance its visibility and contacts with legislative bodies and the United Nations system.

29. In November 2002, the Officer-in-Charge represented the Institute at the Third United Nations Research and Policy Dialogue, held in Geneva, and briefed the representatives of the research and policy-making community of the United Nations on the major findings and implications of the research from the INSTRAW

programme on men's roles and responsibilities in ending gender-based violence. The Officer-in-Charge also represented INSTRAW at the second session of the Inter-Agency Network on Women and Gender Equality, which took place from 24 to 27 February 2003, as well as at the forty-seventh session of the Commission on the Status of Women, during the period from 3 to 8 March 2003, at which a statement on behalf of the Institute was delivered.

30. The Interim Manager/Director represented INSTRAW at the 2002 substantive session of the Economic and Social Council, held in July in New York, and delivered a statement on behalf of the Institute. The Interim Manager/Director and the Officer-in-Charge also attended the fifty-seventh session of the General Assembly in October 2002. During this session, the Interim Manager/Director delivered a statement on behalf of INSTRAW and organized a meeting of donors. Together with the Officer-in-Charge, the Interim Manager/Director briefed Member States on important institutional and programme developments and responded to queries related to the competitive advantage of INSTRAW and its future work plans. The Interim Manager/Director also represented INSTRAW during the deliberations of the Working Group and responded to its queries.

IV. Executive direction; administrative and financial matters

A. Executive direction of INSTRAW

31. During the reporting period, two Interim Managers/Directors were appointed from 24 June to 31 December 2002. During the remaining period, the Institute was managed by the Officer-in-Charge acting under the supervision of the Special Adviser on Gender Issues and Advancement of Women.

B. Administrative and financial issues

1. General support services

32. Throughout 2002, the Institute's administrative unit provided the support services required for the operations of INSTRAW. Main assignments included the preparation of cost-plans and exercise of budget control, the provision of personnel management services in respect of General Service staff, as well as the coordination and delivery of administrative and logistical support services, including those related to the services of consultants and contractors engaged by the Institute.

2. Financial performance

33. The subvention credited to the United Nations Trust Fund for INSTRAW in December 2001 allowed for an allocation of \$650,000, which was used to cover the salaries of the Institute's core staff, the operation of GAINS and the basic services required for the functioning of the Institute's headquarters. Although the allocation ensured the continuation of the Institute's operations during 2002, the financial situation of INSTRAW remained precarious, given the low level of contributions and pledges. As of 31 December 2002, the amount of voluntary contributions to the INSTRAW Trust Fund received amounted to \$110,900 and during the United Nations Pledging Conference for Development Activities, held on 5 November

2002, only an amount of \$11,136 was pledged in voluntary contributions and no amount was paid.

34. In compliance with General Assembly decision 57/580 (see para. 4 above), the Institute was provided with an amount of \$250,000 against the contingency fund to finance core activities of the Institute during 2003. Consequently, on 20 December 2002, the Office of Programme Planning, Budget and Accounts of the United Nations Secretariat issued a budgetary allocation of \$436,000, including the above \$250,000 regular budget subvention, to cover the Institute's operational requirements during the period 1 January-31 May 2003.

35. Following the meeting of donors held by the Under-Secretary-General for Economic and Social Affairs on 12 February 2003 (see para. 5 above), voluntary contributions from Governments to the INSTRAW Trust Fund amounting to \$127,925 have been received. Thus, with an additional \$10,994 of miscellaneous income from other sources, including interest income during the first four months of 2003, the total income of the INSTRAW Trust Fund has amounted to \$138,919.

36. On this basis, it is estimated that the INSTRAW Trust Fund balance as of 31 May 2003 would amount to approximately \$481,900. This amount is sufficient for maintaining INSTRAW operations, including payment of the salaries of a director and seven staff members, until the end of November 2003. It is also anticipated that an additional amount of \$100,000 would be needed to maintain the Institute until 31 December 2003. If the two pledges mentioned earlier are paid, they would be sufficient to maintain the Institute until the end of 2003.

3. Staffing situation

37. During the period under review, the Institute's staffing resources included seven core Professional and General Service staff members: two Gender Analysts, one at the P-3 and the other at the P-2 level, an Acting Administrative Officer at the P-2 level and four General Service staff. The technical services required for the operations of GAINS were provided through the engagement of a consultant who performed under the supervision of the INSTRAW Interim Managers/Directors and core staff.

38. Through coordinated efforts of the Working Group and the Secretariat, a suitable candidate for the post of Director is being identified.

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**Negotiation of an agreement between the United Nations
and the World Tourism Organization to constitute it as a
specialized agency of the United Nations system****Report of the Committee on Negotiations with
Intergovernmental Agencies**

1. On the recommendation of the Economic and Social Council, in its resolution 254 (LXIII) of 3 August 1977, the General Assembly approved, by its resolution 32/156 of 19 December 1977, the Agreement on Cooperation and Relationships between the United Nations and the World Tourism Organization.

2. By a letter dated 21 December 2001 from the Secretary-General of the World Tourism Organization addressed to the Secretary-General of the United Nations (E/2002/5), the World Tourism Organization requested the initiation of the process of its transformation into a specialized agency of the United Nations.

3. At its substantive session of 2002, the Economic and Social Council considered this request, and by its resolution 2002/24 of 24 July 2002, authorized the President of the Council to appoint from among States members of the Council, in consultation with the chairmen of the regional groups, the members of the Committee on Negotiations with Intergovernmental Agencies. The following States members were appointed: Andorra, Argentina, Benin, Chile, Egypt, Ethiopia, France, Ghana, India, Italy, Jamaica, Libyan Arab Jamahiriya, Malaysia, Mozambique, Nepal, Nigeria, Pakistan, Peru, Republic of the Congo, Romania, Russian Federation, Senegal, South Africa, Uganda, Ukraine and Zimbabwe. The Gambia, Indonesia, Mexico, Morocco and Spain participated as observers. The Council furthermore requested the Committee to meet at an appropriate time to negotiate with the World Tourism Organization a relationship agreement between the United Nations and WTO (Tourism), on the basis of proposals submitted by the Secretary-General, and to submit a draft relationship agreement between the United Nations and WTO (Tourism) for the consideration of the Council at its substantive session of 2003.

* E/2003/100.



4. The Committee on Negotiations with Intergovernmental Agencies met at United Nations Headquarters on 26 March and on 7, 10, 15, 16 and 17 April 2003. It held six meetings (106th to 111th meetings). The list of participants is contained in document E/C.1/2003/INF.1.
5. The President of the Council opened the 106th meeting on 26 March 2003. At that meeting, the Committee elected Marco Balarezo (Peru) Chairman of the Committee.
6. For the purpose of negotiating the relationship agreement, the Committee had before it the following documents:
 - (a) Letter dated 21 December 2001 from the Secretary-General of the World Tourism Organization addressed to the Secretary-General of the United Nations (E/2002/5);
 - (b) Note by the Secretary-General containing the text of the draft relationship agreement between the United Nations and World Tourism Organization (E/C.1/2003/1).
7. The Committee considered the text of the draft relationship agreement (E/C.1/2003/1) and approved it, with a number of amendments.
8. At its 111th meeting, on 17 April, the Committee decided to authorize its Chairman to prepare the report of the Committee and to submit it to the Economic and Social Council. At the same meeting, the Committee agreed to transmit the text of the draft agreement as agreed by the Committee to the WTO (Tourism) Committee for its consideration. The WTO Committee on Negotiations considered and approved the text of the draft agreement on 29 April.¹
9. Pursuant to Economic and Social Council resolution 2002/24, the Committee on Negotiations with Intergovernmental Agencies herewith submits its report to the Council. The text of the Agreement as negotiated by the Committee and submitted for approval by the Council is contained in the annex to the present report.

¹ The Chairman of the Committee has received this approval in the form of a communication from the WTO (see the note by the Secretary-General containing the text of a communication from the Secretary-General of the WTO and the Chairman of the WTO Committee on Negotiations for the Conversion of the Organization into a Specialized Agency to the Chairman of the Committee on Negotiations with Intergovernmental Agencies (E/C.1/2003/2)).

Annex

Agreement between the United Nations and the World Tourism Organization

The Economic and Social Council,

Recalling General Assembly resolutions 2529 (XXIV) of 5 December 1969 and 32/156 of 19 December 1977,

Considering the Charter of the United Nations and the Statutes of the World Tourism Organization,

Considering further the provisions of Article 57 of the Charter of the United Nations and of article 3, paragraph 3, and article 31 of the Statutes of the World Tourism Organization,

Having considered the text of the draft agreement negotiated by its Committee on Negotiations with Intergovernmental Agencies and the World Tourism Organization Committee on Negotiations for the Conversion of the Organization into a Specialized Agency,

Approves the Agreement between the United Nations and the World Tourism Organization set forth in the annex to the present resolution.

Annex

Agreement between the United Nations and the World Tourism Organization

Article 1

Recognition

1. The United Nations recognizes the World Tourism Organization as a specialized agency of the United Nations responsible for taking such action as may be appropriate under its Statutes for the accomplishment of the objectives set forth therein.
2. The United Nations recognizes the decisive and central role of the World Tourism Organization, as an intergovernmental organization, in world tourism, as enshrined in its Statutes.
3. Convinced that tourism can contribute significantly to the pursuit of the shared objectives of achieving sustainable development and poverty eradication, the United Nations notes that, in accordance with its Statutes, the World Tourism Organization shall pay particular attention to the interests of the developing countries in the field of tourism.

Article 2

Coordination and cooperation

1. In its relations with the United Nations, its organs and the agencies of the United Nations system, the World Tourism Organization recognizes the coordinating role, as well as the comprehensive responsibilities in promoting economic and social

development, of the General Assembly and the Economic and Social Council under the Charter of the United Nations.

2. In exercise of its central coordinating role in the field of tourism undertaken in accordance with its Statutes and with a view to contributing to economic and social development, in particular, opportunities for poverty eradication and employment creation in the least developed countries, the World Tourism Organization recognizes the need for effective coordination and cooperation with the United Nations, its organs and the agencies within the United Nations system.

3. The World Tourism Organization, accordingly, agrees to cooperate with the United Nations in whatever measure may be necessary to effect the required coordination of policies and activities.

4. The World Tourism Organization agrees further to participate in, and to cooperate with, any body or bodies which have been established or may be established by the United Nations for the purpose of facilitating such cooperation and coordination, in particular through membership in the United Nations System Chief Executives Board for Coordination, and to furnish such information as may be required for the carrying out of this purpose.

5. The World Tourism Organization shall inform the Economic and Social Council of matters of inter-agency concern within its competence, and of any formal agreement on such matters to be concluded between the World Tourism Organization and another agency within the United Nations system.

Article 3

Reciprocal representation

1. Representatives of the United Nations shall be invited to attend the meetings of the General Assembly and the Executive Council of the World Tourism Organization and their subsidiary organs, and to participate, without the right to vote, in the deliberations of these bodies. Written statements presented by the United Nations shall be distributed by the secretariat of the World Tourism Organization to the members of the above-mentioned bodies, in accordance with the relevant rules of procedure.

2. Representatives of the World Tourism Organization shall be invited to attend meetings and to participate, without the right to vote and in accordance with the relevant rules of procedure, in the deliberations of the Economic and Social Council, its commissions and committees, of the Main Committees and other organs of the General Assembly and of the conferences and meetings of the United Nations, with respect to items on their agenda relating to matters within the scope of the activities of the World Tourism Organization and other matters of mutual interest. Written statements presented by the World Tourism Organization shall be distributed by the Secretariat of the United Nations to the members of the above-mentioned bodies, in accordance with the relevant rules of procedure.

3. Representatives of the World Tourism Organization shall be invited, for purposes of consultation, to attend meetings of the General Assembly when matters defined in paragraph 2 of this article are under consideration.

Article 4**Proposals of agenda items**

1. After such preliminary consultations as may be necessary, the World Tourism Organization shall arrange for the inclusion in the agenda of its General Assembly, the Executive Council or their subsidiary bodies, as appropriate, items proposed by the United Nations.

2. After such preliminary consultations as may be necessary, the United Nations shall arrange for the inclusion in the agenda of the Economic and Social Council or, as appropriate and in accordance with the relevant rules of procedure, of other organs or bodies of the United Nations of items proposed by the World Tourism Organization.

Article 5**Recommendations of the United Nations**

1. Having regard to the obligations of the United Nations to promote the objectives set forth in Article 55 of the Charter of the United Nations and the functions and powers of the Economic and Social Council, under Article 62 of the Charter, to make or initiate studies and reports with respect to international economic, social, cultural, educational, health and related matters and to make recommendations concerning these matters to the specialized agencies concerned, and having regard also to the responsibility of the United Nations, under Articles 58 and 63 of the Charter, to make recommendations for the coordination of the policies and activities of such specialized agencies, the World Tourism Organization agrees to arrange for the submission, as soon as possible, to the appropriate organ of the World Tourism Organization of all formal recommendations which the United Nations may make to it.

2. The World Tourism Organization agrees to enter into consultations with the United Nations upon request with respect to such recommendations, and in due course to report to the United Nations on the action taken by the World Tourism Organization or by its members to give effect to such recommendations, or on the other results of their consideration.

Article 6**Assistance to the United Nations**

In accordance with the Charter of the United Nations and the Statutes of the World Tourism Organization, the World Tourism Organization shall cooperate with the United Nations by furnishing to it to the fullest extent possible such special information or studies, and by rendering such assistance to it, as the United Nations may request.

Article 7**Regular reports**

The World Tourism Organization shall submit to the United Nations regular reports on its activities.

Article 8

Exchange of information and documents

Subject to such arrangements as may be necessary for the safeguarding of confidential material, full and prompt exchange of appropriate information and documents shall be made between the United Nations and the World Tourism Organization.

Article 9

Public information

Having regard to the aim of the World Tourism Organization, as defined in article 3, paragraph 1, of its Statutes, and with a view to coordinating the activities of the World Tourism Organization in this field with the operations of the information services of the United Nations, supplementary arrangements regarding these matters shall be concluded between the United Nations and the World Tourism Organization.

Article 10

Relations with the International Court of Justice

1. The World Tourism Organization agrees to furnish any information which may be requested by the International Court of Justice in pursuance of Article 34 of the Statute of the Court.
2. The General Assembly of the United Nations authorizes the World Tourism Organization to request advisory opinions of the International Court of Justice on legal questions arising within the scope of its competence other than questions concerning the mutual relationships between the United Nations and the World Tourism Organization or other specialized agencies.
3. Such requests may be addressed to the International Court of Justice by the General Assembly or by the Executive Council of the World Tourism Organization acting in pursuance of an authorization by the General Assembly of the World Tourism Organization.
4. When requesting the International Court of Justice to give an advisory opinion, the World Tourism Organization shall inform the Economic and Social Council of the request.

Article 11

Non-Self-Governing and other Territories

The World Tourism Organization agrees to cooperate within the fields of its competence with the United Nations in giving effect to the principles and obligations set forth in Chapters XI, XII and XIII of the Charter of the United Nations and other internationally recognized principles and obligations regarding colonial countries and peoples, and taking into account the relevant resolutions of the General Assembly of the United Nations, with regard to matters affecting the well-being and development of the peoples of the Non-Self-Governing and other Territories.

Article 12**Technical assistance**

The United Nations and the World Tourism Organization undertake to work together in the provision of technical assistance in the field of tourism and tourism development. In particular, they undertake to avoid undesirable duplication of activities and services and agree to take such measures as may be required to achieve effective coordination within the framework of existing coordinating machinery in the field of technical assistance, taking into account the respective roles and responsibilities of the United Nations and the World Tourism Organization under their constituent instruments, as well as those of other organizations participating in technical assistance activities. To this end, the World Tourism Organization recognizes the overall responsibilities of the resident coordinators for operational activities for development, as formulated in the relevant General Assembly resolutions. As one of the smaller specialized agencies without field representation, the World Tourism Organization may use resident coordinators to ensure its representation and promote its role.

Article 13**Statistical services**

1. The United Nations and the World Tourism Organization agree to strive for the maximum cooperation, the elimination of all undesirable duplication between them and the most efficient use of personnel in their respective collection, analysis, publication and dissemination of statistical information. They agree to combine their efforts to secure the greatest possible usefulness and utilization of statistical information, to guarantee close coordination in their respective statistical related initiatives and to minimize the burden placed upon Governments and other organizations from which such information may be collected.
2. The World Tourism Organization recognizes that the United Nations is the central agency for the collection, analysis, publication, standardization and improvement of tourism statistics serving the general purposes of international organizations.
3. The United Nations recognizes the World Tourism Organization as the appropriate organization to collect, to analyse, to publish, to standardize and to improve the statistics of tourism, and to promote the integration of these statistics within the sphere of the United Nations system.

Article 14**Administrative cooperation**

1. The United Nations and the World Tourism Organization recognize the desirability of cooperation in administrative matters of mutual interest.
2. Accordingly, the United Nations and the World Tourism Organization undertake to consult together, and with other agencies concerned within the United Nations system, from time to time concerning these matters, particularly the most efficient and harmonized use of facilities, staff and services and appropriate methods of avoiding the establishment and operation of competitive or overlapping facilities and services with a view to securing as much uniformity in these matters as possible.

3. The consultations referred to in this article shall be utilized to establish the most equitable manner in which any special services or assistance furnished, on request, by the World Tourism Organization to the United Nations or by the United Nations to the World Tourism Organization shall be financed subject to supplementary arrangements to be concluded for that purpose.

4. The consultations referred to in this article shall also explore the possibility of continuing or establishing common facilities or services in specific areas, including the possibility of one organization providing such facilities or services to one or several other organizations, and establish the most equitable manner in which such facilities or services shall be financed subject to supplementary arrangements to be concluded for that purpose.

Article 15

Regional and branch offices

Any regional or branch offices which the World Tourism Organization may establish shall closely cooperate with the regional or branch offices which the United Nations has established or may establish, in particular the offices of the regional commissions and of the resident coordinators.

Article 16

Personnel arrangements

1. The United Nations and the World Tourism Organization agree to develop, in the interests of uniform standards of international employment and to the extent feasible, common personnel standards, methods and arrangements designed to avoid unjustified differences in terms and conditions of employment, to avoid competition in recruitment of personnel, and to facilitate any mutually desirable and beneficial interchange of personnel. For this purpose the World Tourism Organization agrees to accept the Statute of the International Civil Service Commission and participate in the United Nations Joint Staff Pension Fund in accordance with the Regulations of the Fund and accept the jurisdiction of the United Nations Administrative Tribunal in matters involving applications alleging non-observance of those Regulations.

2. The United Nations and the World Tourism Organization agree to cooperate to the fullest extent possible in achieving these ends, and in particular they agree:

(a) To consult together from time to time concerning matters of mutual interest relating to the terms and conditions of employment of the officers and staff, with a view to securing as much uniformity in these matters as may be feasible;

(b) To cooperate in the interchange of personnel when desirable, on a temporary or a permanent basis, making due provision for the retention of seniority and pension rights;

(c) To cooperate with the agencies of the United Nations system in the establishment and operation of suitable machinery for the settlement of disputes arising in connection with the employment of personnel and related matters.

3. The terms and conditions under which any facilities or services of the United Nations or the World Tourism Organization in connection with the matters referred to in this article are to be extended to the other shall, where necessary, be the subject

of supplementary arrangements concluded for this purpose pursuant to article 20 of this Agreement.

Article 17

Budgetary and financial matters

1. The World Tourism Organization recognizes the desirability of establishing close budgetary and financial relationships with the United Nations in order that the administrative operations of the United Nations and the agencies within the United Nations system shall be carried out in the most efficient and economic manner possible, and that the maximum measure of coordination and uniformity with respect to these operations shall be secured.
2. The World Tourism Organization agrees to accept the Statute of the Joint Inspection Unit.
3. The World Tourism Organization agrees to conform, as far as may be practicable and appropriate, to standard practices and forms recommended by the United Nations.
4. Financial and budgetary arrangements that may be entered into between the United Nations and the World Tourism Organization shall be approved in accordance with their respective constitutive instruments.
5. In the preparation of the budget of the World Tourism Organization, the Secretary-General of the World Tourism Organization shall consult with the Secretary-General of the United Nations with a view to achieving, insofar as practicable, uniformity in presentation of the budgets of the United Nations and of the agencies within the United Nations system for the purposes of providing a basis for comparison of the several budgets without precluding the use by each organization of different currencies to formulate their budgets.
6. The World Tourism Organization agrees to transmit its proposed budgets to the United Nations not later than when the said budgets are transmitted to its members so as to enable the General Assembly of the United Nations to examine them and make recommendations, in accordance with Article 17, paragraph 3, of the Charter of the United Nations.
7. Representatives of the World Tourism Organization shall be entitled to participate, without vote, in the deliberations of the General Assembly or any committee thereof established by it, at all times when the budget of the World Tourism Organization or general administrative or financial questions concerning the World Tourism Organization are under consideration.

Article 18

United Nations laissez-passer

Officials of the World Tourism Organization shall be entitled, in accordance with such special arrangements as may be concluded between the Secretary-General of the United Nations and the Secretary-General of the World Tourism Organization, to use laissez-passer of the United Nations.

Article 19
Implementation of the Agreement

The Secretary-General of the United Nations and the Secretary-General of the World Tourism Organization may enter into such supplementary arrangements for the implementation of this Agreement as may be found desirable.

Article 20
Amendment and revision

This Agreement may be amended or revised by agreement between the United Nations and the World Tourism Organization, and any such amendment or revision shall come into force on its approval by the General Assembly of the United Nations and the General Assembly of the World Tourism Organization.

Article 21
Entry into force

This Agreement enters into force on its approval by the General Assembly of the United Nations and the General Assembly of the World Tourism Organization.



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**Operational activities of the United Nations for international
development cooperation: follow-up to policy recommendations
of the General Assembly and the Council**

Progress in the implementation of General Assembly resolution 56/201

Report of the Secretary-General

Summary

The present report responds to paragraph 95 of General Assembly resolution 56/201 of 21 December 2001 on the triennial policy review of operational activities for development of the United Nations system, in which the Assembly invited the Economic and Social Council to evaluate the implementation of that resolution. At a time when most United Nations system organizations are recasting their strategies, policies and programmes to maximize their contribution to the implementation of the development goals embodied in the United Nations Millennium Declaration, this report highlights new challenges and responsibilities for the United Nations development system, which call for continuing adjustment in the country-level functioning of the system so as to enhance its effectiveness.

The report draws attention to system-wide mechanisms that are relevant, at the country level, for coordination, harmonization, funding, planning and evaluation of operational activities for development, and stresses specific cross-sectoral themes such as gender mainstreaming, capacity-building, South-South cooperation and interaction of development cooperation with humanitarian assistance. Recommendations for action by the Economic and Social Council are highlighted in boldface in each section of the report.

The Council is invited to undertake this progress review with the aim of preparing the ground for the next triennial comprehensive policy review of operational activities which the General Assembly will conduct in 2004, and to provide guidance thereon to the Secretary-General.

* E/2003/100.



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I. Background and context¹

1. The current review takes place at the conclusion of a cycle of high-level conferences and summits that adopted key documents such as the United Nations Millennium Declaration (see General Assembly resolution 55/2), the Monterrey Consensus of the International Conference on Financing for Development,² the Doha Development Agenda, and the Johannesburg Declaration on Sustainable Development³ and the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation).⁴

2. These events reflect an unprecedented agreement within the international community on an overarching policy framework to provide, with urgency, support to national efforts to fight poverty in a concerted and coordinated way through a global partnership between developed and developing countries, and on the basis of the Millennium Development Goals (see A/56/326, annex) and other relevant internationally agreed objectives. In this context, developing countries have the primary responsibility for their own development,⁵ while the international community has the responsibility for buttressing their efforts with greater, better-harmonized and more comprehensive support through aid, market access, debt relief and technical assistance.

3. The United Nations development system is asked to give the highest priority to the implementation of the outcomes of these conferences. As suggested by the Secretary-General in respect of its recent reforms,⁶ the United Nations system should pursue this by coping with the challenges of the twenty-first century through enhanced mechanisms, adequate resources, strengthened inter-agency coordination, a country-driven approach and the enhanced effectiveness of its country-level presence.

4. The substantive session of 2003 of the Economic and Social Council will take place at a time when most development agencies are recasting their roles, responsibilities, strategies, policies and programmes to achieve the goals identified in the United Nations Millennium Declaration, both individually and through such inter-agency mechanisms as the United Nations Development Group (UNDG) and — at the system-wide level — the United Nations System Chief Executives Board for Coordination (CEB).

5. This offers opportunities to reassert the need for a results-based global partnership, aiming at a closer integration of development cooperation activities, including those of the United Nations system, with national efforts, providing support to enhanced national ownership of external assistance.

6. The system as a whole is realigning mechanisms such as the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), and their policy orientations, to the new paradigm, which applies to all organizations.

7. This realignment raises both programmatic and organizational issues encompassing:

(a) The congruence of this common development agenda with the principle that national plans and priorities constitute the only viable frame of reference for the national programming of operational activities for development within the United Nations system;⁷

(b) The coherence of programmes and projects of the United Nations system in pursuing Millennium Development Goals and other internationally agreed goals at the country level;

(c) The additional responsibilities for the United Nations system inherent in the adoption of this common agenda, especially in supporting national efforts;

(d) The organizational, financial and human resources that the United Nations development system requires to perform its country-level functions effectively,⁸ including supporting the development of national capacities required to pursue the Millennium Development Goals, as related, in particular, to the following questions: What are the technical capacities and physical, human and organizational structures that the system should have available at the country level? Do country teams and all system organizations actively operating at the country level have all the required competencies? If their country-level capacities and structures are not adequate, how big is the gap? Is there a need for further changes and reforms? Are current efforts to improve coordination and to simplify and harmonize sufficient?

8. The United Nations system is endowed with a vast range of expertise and knowledge, which was generated through long and diversified work in the normative, analytical and operational domains. Can this technical capacity be translated into adequate country-level support in a world that is continuously changing?

9. The present report provides some elements for this analysis, although a more exhaustive analysis will be undertaken for the 2004 triennial comprehensive policy review, in assessing the overall effectiveness of operational activities for development.

10. In the last year, there have been significant indications that successful efforts are being made by the United Nations system to enhance coherence and coordination at the country level in support of the Millennium Development Goals and other internationally agreed goals, linking regional and country dimensions and flexibly adjusting to complex development situations, including humanitarian emergencies and post-conflict situations. Progress has been made in providing guidance and training to country teams, encouraging learning and the sharing of experience, and establishing quality assurance and support mechanisms at country, regional and global levels. These trends need to be continued and enhanced.

11. Drawing on its technical capacity and knowledge, and as an impartial and neutral partner, the system assists recipient countries in integrating macroeconomic imperatives with social concerns, and addressing challenges such as achieving budget trade-offs between economic and social objectives, linking macroeconomic and social policies. While significant progress was made in harmonizing and simplifying processes, improving coordination and efficiency and reducing transaction costs for government partners, more could be done to improve the mix of skills, expertise and services that the United Nations system can mobilize to support recipient countries in implementing coherent, sustainable and inclusive development strategies.

12. Recent reforms aim at enhancing internal coherence and coordination within the United Nations system. More in-depth analysis is required in respect of the successful integration of its operational activities with national programmes, plans and policies, as constituting an essential part of efforts to ensure appropriate and

effective long-term support, since this integration is a necessary condition for achieving national ownership and leadership in respect of designing, managing and coordinating externally assisted activities.

Recommendations

13. The Economic and Social Council may wish to use the assessment of progress achieved in the implementation of General Assembly resolution 56/201 in the year 2003 to lay down broad guidelines for the 2004 triennial comprehensive policy review, emphasizing areas on which the report on the triennial comprehensive policy review should focus, including specific aspects, such as assistance to developing countries in pursuing Millennium Development Goals and other internationally agreed development goals, integration of operational activities for development of the United Nations system with national efforts, further improvement in coherence and efficiency of the United Nations system at the country level, harmonization and simplification processes, capacity-building for Millennium Development Goals, and ways to ensure appropriate funding, adequacy of technical capacities and skills available at the country level to support national efforts.

II. Implementation of General Assembly resolution 56/201

A. Funding for United Nations operational activities for development

14. In paragraph 27 of its resolution 56/201, the General Assembly requested the Economic and Social Council to consider, at its substantive session of 2003, the conclusions reached at the triennial comprehensive policy review on resources for operational activities for development. A separate report (E/2003/...) is being submitted on this issue, which reviews progress made on the funding of development cooperation activities of the United Nations system, analyses trends and challenges, and reflects on the conclusions of the Monterrey Consensus and the additional responsibilities entrusted to the United Nations system in support of developing countries. The adoption of a common development agenda embodied in the United Nations Millennium Declaration and other internationally agreed objectives has implications for the development role of the system, also in terms of resource requirements and allocation.

B. Capacity-building and operational activities of the United Nations system

15. Capacity-building is an endogenous country-driven, long-term process at the core of development, which requires the involvement of all sectors of the society. It cannot be induced by external forces but only facilitated by them.⁹ External support should focus on developing existing capacities using national expertise as a paramount approach. It should not be limited to enhancing individual skills but should also address institutional, organizational and societal dimensions, and should be promoted, to the extent possible, also in countries in special circumstances (crisis or post-crisis situations). CCA, UNDAF and the Poverty Reduction Strategy Paper

(PRSP), among others, should be utilized as entry points with respect to fostering these approaches to the system's support to capacity development.

16. The General Assembly has repeatedly called upon the United Nations system to reach a common understanding on capacity-building and enhance its operationalization and sustainability,¹⁰ indicating that capacity-building should be explicitly articulated as a key goal of all its technical assistance. A set of principles¹¹ was adopted to provide an initial framework for the system's capacity-building activities for development.

17. The Economic and Social Council devoted focused attention to this issue last year, adopting resolution 2002/29 of 25 July 2002, in which (para. 16) the Council encouraged the organizations of the United Nations system to intensify their efforts to reflect on and analyse their knowledge of and experience with capacity-building, with a view to offering improved support to the development of national capacities. In the same resolution, the Council also requested more intensive inter-agency cooperation in developing indicators and benchmarks used to design, manage and monitor capacity-building.

18. The experience acquired so far by the system in this respect was reviewed at an inter-agency workshop, held in Geneva in November 2002,¹² showing a large variety of perceptions of capacity-building in the system, as suggested by the large variety of its functions. The system supports recipient countries in their pursuit of developing national capacities through country operations that should reflect a thorough assessment of their capacity-building needs. This should also be stressed in the CCA, UNDAF and agency-specific programming instruments. Much progress is required to define benchmarks and progress indicators on capacity-building by the United Nations system, and enhance information-sharing and coordination so that, in each country, a common understanding may be reached of the requirements of capacity-building.

19. The High-Level Committee on Programmes (HLCP) endorsed the conclusions of the Geneva inter-agency workshop at its fifth session, held in Rome on 26 and 27 March 2003, agreeing that an explicit system-wide strategy for capacity development should be developed by the United Nations system and its individual organizations to pursue Millennium Development Goals and other internationally agreed objectives (see CEB/2003/4). Each agency should define its own corporate strategy for capacity development, and should include, in its annual report to its governing body, a specific section assessing such a strategy. United Nations organizations should collaborate to develop benchmarks and indicators on capacity-building related to the Millennium Development Goals in their respective areas of competence. An informal inter-agency network is being established to facilitate exchanges of views on good practices, indicators, benchmarks and other means to measure success.

Recommendations

20. The Economic and Social Council may wish to urge the organizations of the United Nations system to devise country-level strategies for capacity-building in the pursuit of Millennium Development Goals and other agreed development goals and reflect them in the CCA and the UNDAF, and invite all

organizations to devote part of their annual reports submitted to their governing body to capacity-building.

21. The Economic and Social Council may wish to urge United Nations system organizations to intensify information-sharing on good practices and experience gained, benchmarks and indicators, concerning capacity-building as linked to the pursuit of Millennium Development Goals, calling on each organization to draw from its unique reservoir of experience and competencies, and encourage CEB to continue to foster and strengthen inter-agency efforts in their respective domains.

C. Strategic frameworks: common country assessment and United Nations Development Assistance Framework

22. In response to paragraph 42 of resolution 56/201, major efforts have been undertaken to strengthen the focus of CCA and the UNDAF on the Millennium Development Goals, improve their quality, enhance the role of the UNDAF in support of the integrated and coordinated implementation of the outcome of major United Nations conferences and summits and provide a coherent and integrated response to national priorities.¹³ New opportunities are being seized by country teams for greater complementarities and synergies between frameworks developed by United Nations system organizations, and those developed by national Governments and the Bretton Woods institutions, linking, in particular, the CCA and the UNDAF to the Poverty Reduction Strategy Paper (PRSP), where it exists. These processes can enhance each other. The CCA can directly contribute to the poverty assessment required by the PRSP. The UNDAF provides a system-wide response to the development strategy that the Government intends to pursue, as summarized in the PRSP.

23. The United Nations Development Group (UNDG) is implementing a comprehensive system for quality support and assurance for country teams, aiming at developing an all-encompassing quality support and oversight system for the CCA and UNDAF processes.¹⁴ The new support system is being extended to countries completing a CCA and a UNDAF in 2004 and 2005, through the establishment of regional virtual technical teams that will review CCAs and UNDAFs at an early stage, providing consolidated inter-agency feedback. These initiatives aim at creating a learning development system and a greater sense of accountability at country, regional and headquarters levels. The 2002 revision of the CCA and UNDAF guidelines focused on the centrality of the Millennium Development Goals and the United Nations Millennium Declaration as a whole, underscoring the importance of linkages between United Nations instruments and national plans and strategies, including the PRSP, where it exists. Their next revision is scheduled for June 2003.¹⁵ The participation of the specialized agencies in the CCA and UNDAF processes should be strengthened;¹⁶ further analysis is required to identify obstacles and possible solutions.

24. The CCA and UNDAF guidelines have promoted a results-based approach. The UNDAF Results Matrix harmonizes result-based management terminology to establish a link with national priorities and organizations' country programmes as the basis for increased inter-agency coordination, joint or collaborative programming, and improved evaluations.¹⁷ The Results Matrix is also expected to be

a dynamic management tool for thematic groups, so that they can better adjust to the UNDAF orientations.¹⁸ Other instruments being developed are the UNDAF Monitoring and Evaluation Plan and the UNDAF Final Evaluations, which will foster collaboration around evaluation activities and related national capacity development.¹⁹

25. An overall evaluation of the CCA and the UNDAF and their impact on operational activities will be undertaken as an integral part of the next triennial comprehensive policy review in 2004, as requested in paragraph 47 of General Assembly resolution 56/201.

Recommendations

26. The Economic and Social Council may wish to request United Nations system organizations to continue their efforts to enhance the quality of the CCA and the UNDAF, *inter alia*, through the active engagement of the specialized agencies and other partners in the formulation of these instruments, and to request the United Nations country teams and resident coordinators to continue their efforts to facilitate the involvement of all organizations of the United Nations system and use their expertise in the formulation of the CCA and the UNDAF.

D. Evaluation of operational activities for development

27. A separate report has been prepared in response to General Assembly resolution 56/201, paragraph 56, to assess the extent to which the United Nations funds, programmes and agencies at the field level have learned lessons from their evaluations. The assessment focuses on ongoing practices as reflected in headquarters- and country-level information, and the benefits of country-level consultations, discussions within the Inter-Agency Working Group on Evaluation (IAWG) and the network established through an *ad hoc* inter-agency task force on lessons learned from evaluation activities. The report formulates proposals on how to improve feedback mechanisms at the field level.

E. Field-level coordination

1. Simplification and harmonization

28. The General Assembly requested the United Nations funds, programmes and specialized agencies of the United Nations system to accord high priority to the simplification and harmonization of rules and procedures for operational activities and identified specific areas for urgent measures: decentralization and delegation of authority, financial regulations; procedures for implementing programmes and projects; and, in particular, the requirements in terms of monitoring and reporting, common shared services in country offices, and recruitment, training and remuneration of national project personnel.²⁰ The Assembly also requested the funds and programmes to submit a programme of work to the Economic and Social Council in 2002, including provisions to phase out redundant rules and procedures, with benchmarks and time-bound targets,²¹ to be achieved by 2004. That programme

of work was prepared last year and its implementation is in progress. Full review of progress will be presented in 2004 at the triennial comprehensive policy review. Some of the actions currently under way are outlined below.

29. In 2002, a joint UNDG programme and management task force on simplification and harmonization was established to address issues affecting programme preparation and approval, implementation, monitoring, evaluation and reporting.²² joint programming and financial transfer procedures of UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP). Country-level consultations through missions and a workshop were held, leading to final recommendations which the Executive Heads of UNDP/UNFPA, UNICEF and WFP adopted in November 2002. The new harmonized procedures include simplification and harmonization modalities regarding standard instruments such as the Country Programme Documents and a number of instruments, currently under development, namely:

- (a) The UNDAF Results Matrix, already mentioned;
- (b) The Country Programme Action Plan (CPAP), a standard document that operationalizes Country Programme Documents and highlights commitments of each United Nations agency and the Government. The CPAP builds upon existing sections of the Country Programme Documents, ensuring minimal additional work;
- (c) The Annual Output Work Plan, a standardized document that provides a nominal activity plan for each output included in the CPAP and is connected to the strategic results of the UNDAF and Country Programme Documents, facilitating across-the-board inter-agency comparisons;
- (d) The UNDAF Monitoring and Evaluation Plan and the UNDAF Final Evaluations, already mentioned.

30. Progress in joint programming is still limited. New guidelines, which are under completion, will require new financial mechanisms and are intended to reduce transaction costs, increase the emphasis on capacity-building and increase effectiveness and efficiency, following guiding principles to ensure that they are flexible, build upon national systems, and contribute to the development of national capacity. The full range of new modalities are being phased in, beginning in five countries with country programmes starting in 2004,²³ 15 other countries starting programmes in 2005, 17 countries starting programmes in 2006 and so on, in line with the CCA and UNDAF preparation cycle.

31. After a joint review, the United Nations funds and programmes that are members of the Executive Committee of UNDG have concluded that a high degree of delegation and decentralization of authority has been reached in their country and regional offices, as regards programme formulation, the clearance process and financial management and that no further action is needed in this area. Nevertheless, a situation characterized by different degrees of decentralization and different levels of authorization still prevails among other agencies of the system, hindering efficient joint or collaborative programming. Greater attention is still required to harmonize procedures in such areas as recruitment, remuneration and training of national project personnel, and information technology platforms, as encouraged in paragraph 60 of General Assembly resolution 56/201.

32. The UNDG task force has striven to link simplification and harmonization efforts to those of the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) Task Force on Donor Practices²⁴ and the technical groups of the multilateral development banks,²⁵ aiming at harmonizing practices and standards on development assistance and aligning them with national procedures in areas such as planning and approval of assistance, country assessment, monitoring and reporting, financial management, procurement, and environmental assessments. A High-level Forum on Harmonization, organized by the OECD/DAC Task Force in Rome (24 and 25 February 2003) with bilateral and multilateral institutions and representatives of a number of "partner" countries, adopted the "Rome Declaration on Harmonization", which confirms the commitment to enhancing delivery of development assistance through harmonization. Donors and national counterparts are encouraged to design plans for harmonization of procedures of externally supported activities, facilitating their integration with national efforts and structures. Self-evaluations of bilateral and multilateral agencies, in partnership with recipient countries, are envisaged.

Recommendations

33. The Economic and Social Council may wish to request the United Nations funds and programmes to enhance and accelerate their simplification and harmonization efforts in the areas of recruitment, remuneration and training of national project personnel, and ensure full implementation of the programme of work, which was submitted in 2002, before the end of 2004. The Council may also wish to request that efforts be undertaken across the United Nations system to achieve progress in all the areas of simplification and harmonization of rules and procedures at the field level, establishing links between these efforts and ongoing initiatives undertaken by bilateral donors, multilateral development banks and international non-governmental organizations, with the ultimate intent of reducing transaction costs, increasing efficiency in aid delivery and enhancing government ownership of development processes through better coordination and management of external assistance.

2. Common premises and services and "United Nations House"

34. The Secretary-General has pursued the "United Nations House" initiative and supported the development of shared administrative services since his 1997 reform programme, so as to increase the efficiency and cohesion of the United Nations presence at the country level.

35. During 2002, UNDG continued to review proposals to facilitate the establishment of common premises and United Nations Houses: 6 new United Nations Houses were established,²⁶ bringing the total number to 52; and proposals for another 22 countries have been reviewed. Five new United Nations Houses are planned for 2003.

36. In 2001, a pilot programme was initiated in eight countries²⁷ to assist country teams in sharing administrative services based on operational guidelines adopted in 2000. United Nations staff in these countries have undergone training, assessed existing and potential services and developed an action plan. Twenty-four other countries received financial support to develop common services initiatives, leading

to an increase in the number of common services reported, inter alia, in such areas as information technology, travel and banking services, and resulting in improved quality and efficiency, and increased overall inter-agency cooperation. A report on cost savings will be compiled once the initiatives are completed.²⁸ A feasibility study has been carried out in one country (Maldives) to assess the feasibility of establishing a joint office to reduce overhead costs for agencies and transaction costs for government.

Recommendations

37. The Economic and Social Council may wish to encourage UNDG to continue its efforts in the area of common premises, shared services and joint offices, with the objective of ensuring higher quality and cost-effectiveness of country-level functioning of the United Nations system through appropriate support activities, taking into account the need for cost-sharing within system organizations and adequate financing.

3. Resident coordinator system

38. The Economic and Social Council has regularly reviewed the achievements of the resident coordinator system at its operational activities of the United Nations for international development cooperation segment. In various resolutions,²⁹ the General Assembly recognized that the resident coordinator system has a pivotal function. The Secretary-General recently noted, in his proposals for a continuing and consolidated programme of reform,³⁰ that the resident coordinator system continues to play a linchpin role in field-level coordination and in support of development and humanitarian activities (para. 118).

39. Responsibilities of the resident coordinator system have become more complex, calling for its direct involvement in a plethora of country-level mechanisms and system-wide instruments. Specific practical measures³⁰ are being implemented to enhance the effectiveness of the resident coordinator system in facilitating joint programming, pooling of resources, the establishment of common databases and knowledge networks.

40. The resident coordinator system needs to be in a condition to allow the United Nations system to make the most effective use of the limited resources available, mobilize qualified technical expertise, provide policy advice on cross-sectional and multidimensional development issues and support the integration of development support activities with national efforts (national ownership) in full partnership with development partners.

41. The resident coordinator system undertakes these tasks through a number of coordination instruments such as the CCA and the UNDAF, thematic groups, joint programmes, participation in the PRSP process, and contributions to the formulation of the recently introduced reports on the Millennium Development Goals.

42. The role of the resident coordinator system in countries making the transition from conflict to recovery and reconstruction is particularly complex. As coordination support for the humanitarian coordinator is reduced, the support extended to the role of the resident coordinator needs to fill the gap during the transition period — a period when national capacity is most critical.

43. The role of the resident coordinator system is being enhanced by continuously upgrading the skills and capabilities available to the country team, as well as through constant in-country training efforts. In 2001, over 350 inter-agency training initiatives were conducted through the resident coordinator system, involving officers of United Nations funds, programmes and the specialized agencies, government officials and non-governmental organizations, and focusing on themes such as HIV/AIDS, gender mainstreaming, human rights, the CCA and the UNDAF, crisis prevention and post-conflict recovery.³¹

44. Mechanisms to select, train and appraise the performance of resident coordinators have continued to improve, broadening the pool of candidates while attempting to improve the gender balance. The resident coordinator competency assessment has become a widespread tool with which to assess prospective candidates.³²

45. The resident coordinator system is becoming better equipped to manage complex tasks. Nevertheless, it is not yet attracting the full range of expertise at the technical and specialized level required by the pursuit of the Millennium Development Goals and other internationally agreed goals. The growing use of knowledge networks, which are also meant to expand the involvement and participation of the United Nations system and other development partners on a broader basis, has not yet effectively involved all relevant non-resident United Nations organizations. Major challenges to the optimal functioning of the resident coordinator system continue to be the mobilization of technical expertise and resources from within the system to support a coordinated response to national priorities, and a broader and more active participation of all United Nations system organizations, in particular, specialized and technical agencies, as well as regional commissions.³³ A more extensive use of information and communication technologies,³⁴ and other means to facilitate a direct link with all agencies³⁵ may open new opportunities for improvement.

Recommendations

46. The Economic and Social Council may wish to reiterate the need for greater participation of the specialized agencies, including small technical agencies, through a more active role, in the functioning of the resident coordinator system, while encouraging all the organizations of the United Nations system to research and set in place innovative and collaborative approaches to enabling the resident coordinator system to tap into the wealth of expertise in those areas that are relevant to supporting national efforts towards achieving the Millennium Development Goals and other internationally agreed development objectives.

4. Relations with the Bretton Woods institutions

47. The Bretton Woods institutions and the United Nations organizations have been increasingly working together over the last few years to create new opportunities for country-level cooperation,³⁶ provide greater avenues for joint actions, and increase interaction between their respective instruments,³⁷ as well as headquarters programming and management processes.³⁸ Along with the United Nations organizations, international financial institutions, in particular the World

Bank, are recasting their priorities, strategies and activities so as to focus on poverty reduction and the Millennium Development Goals. Across the whole of the United Nations system, modalities are being adopted to make the principle of national ownership operational and place greater emphasis on results.

48. Developing countries are involved in a number of processes with different coverage and objectives. When the PRSP exists, it has the potential to become the overall frame of reference, if the Government so decides, for the entire development and poverty reduction strategy of the country, as well as the basis for national budgets and international assistance, and thus to become a key instrument with which to enhance aid effectiveness, coherence and coordination. The PRSP process is already under way in over 70 developing countries, including the least developed countries, and will soon be extended to all low-income countries eligible for the Poverty Reduction and Growth Facility (PRGF) of the International Monetary Fund (IMF).

49. Other instruments are used by different entities and can be related to the PRSP process, when the country decides to adopt it. The CCA for the United Nations system, and the Economic and Sector Work (ESW) for the World Bank, including public expenditure review, educational sectoral analysis, poverty assessment etc., provide the analytical foundations for elaborating the poverty strategy contained in the PRSP. The UNDAF and the Country Assistance Strategy (CAS), which can be considered the business plans for the United Nations system and the World Bank at the country level, respectively, should be developed consistently with the PRSP.

50. The progressive alignment of these country-level programming processes with national long-term priorities, strategies plans and budgets would facilitate harmonization not only between the activities of the Bretton Woods institutions and those of the United Nations funds and programmes and the specialized agencies but also among the activities of all external assistance partners. To achieve this, a continuous dialogue between the Bretton Woods institutions and United Nations organizations and other donors is under way, and shared policy guidance to field staff on the link between PRSPs and Millennium Development Goals was issued in May 2003.³⁹

51. The potential for synergies and complementarities between all these instruments and processes and their impact on, and relevance for, the development of recipient countries greatly depend on their respective timings and sequencings, although these are not the only factors that ensure optimal harmonization. From a recent joint World Bank/IMF staff review of the PRSP process,⁴⁰ some areas emerged as offering opportunities for enhancing cooperation with the Bretton Woods institutions, namely: (a) support to national capacity development for policy design and budget management; (b) support to more systematic monitoring and reporting on policy trends; (c) development of alternative policy and reform scenarios for the macroeconomic frameworks underpinning the PRSPs; (d) alignment of donor assistance to PRSP priorities; (e) aid allocation for PRSP implementation; (f) combined efforts to address statistical deficiencies, including building national statistical capacity, in order to monitor progress on the Millennium Development Goals within the framework of the PRSPs; (g) building results-based indicators into the PRSP framework; (h) integrating social with macroeconomic and financial concerns; (i) harmonization and simplification of donor policies and practices for

delivering of aid; and (j) enhancing aid effectiveness through the alignment of donor programmes with national strategies and decision-making processes.

Recommendations

52. The Economic and Social Council may wish to request the United Nations system and the Bretton Woods institutions to explore further ways to enhance their reciprocal interaction and coordination, *inter alia*, through greater harmonization of strategic frameworks, instruments, modalities and partnership arrangements, in the context of national priorities. The Council may also wish to request the United Nations system to explore ways to enhance the value of the CCA to poverty analysis and its impact on the PRSPs, where they exist, and recommend to the Bretton Woods institutions and other United Nations system organizations that they continue to collaborate in developing a results-based approach to poverty eradication anchored in the United Nations Millennium Declaration, *inter alia*, through closer participation in, and support to, national efforts directed towards the formulation of the reports on the Millennium Development Goals.

F. Gender mainstreaming in operational activities

53. Support to country-level activities on gender equality through mechanisms such as thematic groups, CCAs and UNDAFs continues to provide opportunities to mainstream gender in programmes and policies. The Inter-Agency Network on Women and Gender Equality (IANWGE), chaired by the United Nations Development Fund for Women (UNIFEM), coordinated an assessment of 15 CCAs and UNDAFs; a parallel assessment was led by UNICEF on CCA and UNDAF initiatives in West Africa. Both assessments called for measures to clarify roles and responsibilities in respect of gender equality and women's rights at the country level, enhance quality assurance and support mechanisms for joint analysis and follow-up programming, strengthen the capacity of gender theme groups in the context of CCA and UNDAF processes, improve availability of gender-disaggregated data, promote capacity-building, and ensure that lessons learned in the formulation of CCAs and UNDAFs are systematically shared within the system, Governments and other development partners.⁴¹

54. Although gender theme groups continue to be among the groups seen most frequently at the country level, they mostly focus on information-sharing.⁴² Timely attention to mainstreaming the gender dimension in the analyses conducted for the CCA is important in order to ensure that gender perspectives are effectively reflected in the operational activities of the United Nations system; moreover, mainstreaming has taken on a new relevance in the context of the Millennium Development Goals.

55. Concrete initiatives focus on the development of country-specific gender equality indicators and the identification of intermediary targets for achieving the Millennium Development Goals.⁴³ Strong collaboration has been established in this area between UNIFEM and the regional commissions, in respect of strengthening statistical databases on gender equality (Economic Commission for Latin America and the Caribbean (ECLAC) and Economic and Social Commission for Western

Asia (ESCAP)), introducing a gender perspective in macroeconomic analyses and improving gender-responsiveness of the legal and regulatory frameworks in the region (Economic Commission for Europe (ECE)), and providing, in addition to better data, statistical information to end trafficking of women and girls (Economic and Social Commission for Asia and the Pacific (ESCAP)). In 2002, gender budget analyses were supported by UNIFEM in 20 countries. Efforts are also being undertaken to disseminate, at the country level, the results of independent assessments on the impact of armed conflicts and the role of women in peace-building.⁴⁴ Nevertheless, the main challenge remains to move beyond the analytical level and promote joint action. A full assessment of the impact of gender initiatives in operational activities will be undertaken in the context of the 2004 triennial comprehensive policy review.

Recommendations

56. The Economic and Social Council may wish to encourage United Nations system organizations to continue their gender mainstreaming efforts in operational activities of the United Nations system in all fields, in particular in support of poverty eradication, reiterating in this regard the empowerment of women as a development priority, and to strengthen their efforts in support of the development of national capacity to deal with the conditions of females in the context of poverty eradication policies, *inter alia*, through the use of gender budget analysis.

G. Humanitarian assistance and operational activities for development

57. In recent years, the frequency of and experience with complex emergency situations, especially those deriving from civil strife and armed conflicts, have highlighted the essential interdependence of the work of the United Nations in the development and humanitarian areas. Accordingly, some entities of the United Nations system have been devising new capabilities and new modalities for cooperation in those situations and provide a more coherent, comprehensive and effective response to complex emergency and post-conflict situations.

58. There is increasing awareness among humanitarian agencies of the need to tailor emergency assistance in support of recovery and development. Similarly, development assistance providers are increasingly recognizing that their early involvement in rehabilitation efforts is important so as to minimize disruption, initiate and sustain recovery, create conditions conducive to stability and development, and accelerate the delivery of development funding in the immediate post-conflict phase.

59. Ensuring that sufficient resources, both core and non-core, are channelled through the entities operating in the humanitarian and development assistance in a balanced way has become an important consideration, especially in light of the growing number of complex emergency and post-conflict situations. The General Assembly took up this issue in paragraph 84 of resolution 56/201, stressing that contributions to humanitarian assistance should not be provided at the expense of

development assistance and that sufficient resources for humanitarian assistance should be made available by the international community.

60. There is growing recognition of the need for an integrated approach among all donors to ensure effective field-level coordination in transition periods, as well as the need for a dialogue with national authorities and for the early strengthening of key national institutions. This requires the full engagement of all parts of the United Nations system in an integrated planning process.

61. The emergence of "hybrid" or ad hoc approaches and appeals processes in the period immediately following conflict, which draw on a combination of elements from a mix of methodological tools currently available to United Nations country teams,⁴⁵ suggests that country teams need more flexible mechanisms through which to support Governments and institutions in the early stages of post-conflict, while simultaneously meeting urgent humanitarian needs. An inter-agency working group involving UNDG and the Executive Committee on Humanitarian Affairs has been created, in consultation with the Inter-Agency Standing Committee, to examine transition issues and reach a common understanding including definition of key concepts such as transition, recovery, peace-building and reintegration. The working group aims at fostering a coherent, integrated and effective United Nations response to situations in transition, providing consolidated and timely guidance to the United Nations system, and emphasizing how existing programming tools can be strengthened to achieve coherence among different types of assistance.

62. The processes of transition "from conflict to peace" or "from relief to development" are neither unilinear nor unidirectional, since various facets of transition processes coexist simultaneously at changing levels of intensity, opening opportunities or leading to reversals. Transition may not coincide with recovery, since it may include peace-building efforts allowing for peace consolidation, thereby setting the stage for recovery. It is expected that no new mechanisms will be created, but that United Nations country teams will be empowered to use elements of existing tools in a more flexible country-specific fashion.

Recommendations

63. The Economic and Social Council may wish to encourage the resident coordinator system to facilitate the formulation and use of integrated and flexible approaches in complex emergency and post-conflict situations, ensuring that all relevant partners, also beyond the United Nations system, are involved under the leadership and with the fullest involvement of the Government, wherever possible.

64. The Economic and Social Council may wish to encourage the resident coordinator system to continue to work closely with the country representatives of individual agencies, World Bank country directors and other relevant partners in order to ensure effective coordination and collaboration in post-conflict situations, and request UNDG and the Executive Committee on Humanitarian Affairs to continue their efforts to provide a harmonized response to the needs of countries in transition, adjusting in this regard the formulation of strategic frameworks such as the CCA and the UNDAF to these circumstances.

H. Regional and subregional dimensions of operational activities

65. It is recognized that the formulation, planning, monitoring and evaluation of the CCA and the UNDAF could increasingly benefit from the regional and subregional technical capacities of the United Nations system. In the course of 2002, the undg encouraged systematic involvement of the regional bureaux of the funds and programmes, inter alia, in support of country-level preparation of CCAs and UNDAFs. Sharing technical expertise, knowledge, experience and good practices within the region and among regional bureaux and country teams in all phases of the CCA and the UNDAF should serve to advance a multisectoral and cross-cutting approach and promote higher-quality standards in these processes. It is too early to assess the effectiveness of this collaboration and its impact on the CCA and the UNDAF.

66. A more systematic participation of the regional commissions in the CCA and the UNDAF would be mutually beneficial, as stressed in the workshops for the preparation of the CCA and the UNDAF carried out in 2001 for the staff of the regional commissions in collaboration with the undg Office. Renewed efforts in this direction are called for.

67. Given the focus of the operational activities of the regional commissions, their involvement in the context of the Millennium Development Goals has made the regional and subregional dimensions even more important with respect to identifying intermediate targets defined at the regional level for achieving the Millennium Development Goals. The regional commissions could play a valuable role in this area, supporting the generation of better data and statistics and other analytical activities for tracking and monitoring the Millennium Development Goals as well as the CCA exercise.

Recommendations

68. The Economic and Social Council may wish to note the efforts of undg to promote the role of the regional bureaux of the funds and programmes in assisting country teams in the preparation of the CCA and the UNDAF and may wish to encourage a greater participation of the regional commissions in the preparation of these frameworks.

I. South-South cooperation and technical and economic cooperation among developing countries in the context of operational activities

69. In response to paragraph 89 of General Assembly resolution 56/201, undp has continued to play a lead role in promoting technical and economic cooperation among developing countries. The Executive Board of undp/unfpa, in its decision 2002/18 of 27 September 2002 (see DP/2003/2), decided to allocate a fixed annual amount of \$3.5 million for technical cooperation among developing countries (TCDC) (para. 8 (e)).

70. In addition to the Special Unit for Technical Cooperation among Developing Countries, established within undp as the focal point for South-South cooperation throughout the United Nations system, all system organizations have TCDC focal

points. Advisory services of the United Nations system organizations provided to developing countries increasingly rely on experts from developing countries on a wide range of subjects including judicial reform, local government, and information and communication technologies. Progress in the adoption of the TCDC modality has benefited from the decentralization of operations and the use of regional advisers. The increase in public-private cooperation has also yielded important results through joint ventures between African and Asian entrepreneurs, as shown by the Africa-Asia business forums organized by the Special Unit for Technical Cooperation among Developing Countries. A greater use of the TCDC modality may also facilitate more opportunities for regional integration among the developing countries.

71. Triangular cooperation has also been increased, whereby developed countries have forged effective North-South partnerships for development, underpinning the principle of global partnership and the concept of mutual responsibilities between developed and developing countries sanctioned by the Monterrey Consensus of the International Conference on Financing for Development. North-South partnerships have supported various forms of knowledge networks and centres of excellence, and also supported well-established regional and subregional organizations.

Recommendations

72. **The Economic and Social Council may wish to request the United Nations system organizations to continue their efforts to integrate TCDC modality in their programmes and projects, enhancing their support to development cooperation among developing countries, inter alia, through greater exchange of knowledge, experience and good practices at the global, regional and country levels.**

Notes

¹ The present report responds to paragraph 95 of General Assembly resolution 56/201 on the triennial comprehensive policy review of operational activities for development of the United Nations system and contains a review of progress in the implementation of that resolution. It should be read in conjunction with the following reports of the Secretary-General:

(a) (E/2003/__) on the funding of development cooperation activities of the United Nations system, which contains a review of the progress achieved in the area of resources for operational activities for development of the United Nations system (para. 27 of General Assembly resolution 56/201);

(b) (E/2003/64) on the assessment of lessons learned at the field level by United Nations funds, programmes and agencies from their evaluations (para. 56 of resolution 56/201);

(c) (E/2003/57) which contains comprehensive statistical data on operational activities for development for the year 2001 (General Assembly resolution 35/81 of 5 December 1980).

² *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

³ *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and Corr.1), chap. I, resolution 1, annex.

⁴ Ibid., resolution 2, annex.

⁵ See para. 6 of the Monterrey Consensus of the International Conference on Financing for Development.

⁶ See report of the Secretary-General entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1) and General Assembly resolution 57/300 of 20 December 2002.

⁷ See the fifth preambular paragraph of General Assembly resolution 56/201 and similar formulations in previous resolutions.

⁸ On this aspect, see the report of the Secretary-General (E/2003/__) on the funding of development cooperation activities of the United Nations system.

⁹ In this report, the expression "capacity-building" is used as a synonym for "capacity development", as is consistent with decisions and resolutions of the United Nations in this area.

¹⁰ See General Assembly resolution 53/192 of 15 December 1998, para. 37, and Assembly resolution 56/201, para. 28.

¹¹ See guidance note on capacity-building (ACC/2000/7, annex V) approved by the Consultative Committee on Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC), superseded by the High-level Committee on Programmes (HLCP) of the United Nations System Chief Executives Board for Coordination (CEB).

¹² The workshop was promoted by the Department of Economic and Social Affairs of the United Nations Secretariat and the United Nations Development Programme (UNDP), under the aegis of the High-level Committee on Programmes (HLCP). The international symposium on capacity development and aid effectiveness, promoted by UNDP and the World Bank Institute, together with the Canadian International Development Agency (CIDA) and the Japanese International Development Agency (JICA), and held in Manila from 14 to 16 January 2003, has further contributed to this review.

¹³ To date, United Nations country teams have elaborated 106 CCAs and 69 UNDAFs. The United Nations Development Group (UNDG) introduced guidance notes to country teams to support the PRSPs and MDGs, in 2001 and 2002, respectively.

¹⁴ See para. 33 of General Assembly resolution 56/201.

¹⁵ Of the CCAs and UNDAFs jointly reviewed by the member agencies of the Executive Committee of UNDG to date, 15 CCAs and 5 UNDAFs (roll-out in 2002) met minimal quality standards. Five country programmes were also reviewed to ensure their consistency with CCAs and UNDAFs and to ensure that they were anchored in the Millennium Development Goals.

¹⁶ The Executive Boards of UNDP/United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) have decided that the preparation of CCAs and the preparation of UNDAFs are mandatory steps in the development of their organizations' draft country outlines, and that the CCAs and UNDAFs will be made available for information to the Executive Boards. Other technical organizations of the United Nations are expected to participate in the strategy development, coordinating and integrating their country programming work within the framework of the CCA and the UNDAF.

¹⁷ The first test for this matrix will be in those countries going to the board in 2004 for programmes in 2005.

¹⁸ This suggestion emerged in a workshop on simplification and harmonization held in Nairobi in November 2002, in which 10 United Nations country teams participated. This matrix is currently being tested in the five countries preparing their country programmes for implementation in 2004.

¹⁹ See sect. E.1 below.

²⁰ See para. 60 of General Assembly resolution 56/201.

- ²¹ See para. 61 of General Assembly resolution 56/201; for a description of the programme of work and the specific progress achieved before July 2002, see the consolidated list of issues related to the coordination of operational activities for development, 2002, prepared by the United Nations funds and programmes in pursuance of para. 4 of Economic and Social Council resolution 1998/27 (E/2002/CRP.1 and its annex).
- ²² See also the outcome of a workshop held in Nairobi in November 2002 with the participation of 10 country teams (Bolivia, Cambodia, Haiti, Kenya, Mozambique, Nepal, Philippines, Turkmenistan, United Republic of Tanzania and Viet Nam), national experts from Governments, representatives of the World Bank, the Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) Task Force on Donor Practices and the Department of Economic and Social Affairs.
- ²³ Five countries that developed UNDAFs in 2002 and are starting new country programmes in 2004 are Benin, Ecuador, Kenya, the Niger and Pakistan.
- ²⁴ See, for example, a draft guidance note on internal financial control assessment guidelines that the UNDG task force recently prepared, drawing from the work of OECD/DAC on financial procedures.
- ²⁵ The World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank.
- ²⁶ Barbados, former East Timor (now Timor-Leste), Kenya, Mongolia, Turkey and Zambia.
- ²⁷ Bangladesh, Ecuador, Kyrgyzstan, Philippines, Uganda, Yemen, Zambia and Zimbabwe.
- ²⁸ See the 2002 report of the Secretary-General on the simplification and harmonization of rules and procedures for operational activities for development (E/2002/59) for a summary of progress and plans in respect of common services.
- ²⁹ See General Assembly resolutions 47/199, 50/120, 53/192 and, more recently, 56/201.
- ³⁰ See the report of the Secretary-General (A/57/387 and Corr.1) entitled "Strengthening of the United Nations: an agenda for further change", of 9 September 2002.
- ³¹ Training modules exist for the CCA and the UNDAF, poverty reduction, common services, team-building etc., which are currently being adapted to reflect the Millennium Development Goals and include linkages among the CCA, the UNDAF, the reports on the Millennium Development Goals and the PRSP.
- ³² It is expected that, by the end of 2003, all former resident coordinators will have gone through the competency assessment exercise.
- ³³ See paras. 69 and 73 of General Assembly resolution 56/201.
- ³⁴ *Ibid.*, para. 69.
- ³⁵ *Ibid.*, paras. 70-71.
- ³⁶ Common priorities between the instruments and modalities of the United Nations system and those of the Bretton Woods institutions increasingly include post-conflict assistance, as the World Bank has created a series of facilities that enable it to participate more actively in post-conflict transitions. Partnership with the Bank in those situations, through thematic groups, general donor meetings, and disaster management meetings, has become more important. There is thus a growing need for the United Nations system and the Bretton Woods institutions to define common frameworks, practices and arrangements for intervention in those situations.
- ³⁷ Twenty United Nations country teams have used the CCAs as direct inputs into the PRSP process. Of the 23 countries preparing an UNDAF in 2001, 6 country teams reported links between the PRSP and the UNDAF, and 5 reported having used the PRSP to guide the work in preparation of the report on the Millennium Development Goals. Nearly a dozen country teams confirmed that United Nations-World Bank-International Monetary Fund (IMF) relations have

been strengthened, with more active collaboration through theme groups and other forms of consultation.

- ³⁸ The World Bank is now a member of the UNDG. There is also a continued dialogue between the UNDG, the Bretton Woods institutions and, also, some regional development banks, the European Union and OECD/DAC on critical operational issues such as collaboration to integrate the Millennium Development Goals in PRSPs. The World Bank also participates with the International Monetary Fund in the Millennium Project, taking part in the United Nations expert group and relevant task forces.
- ³⁹ The aim is to emphasize the need to plan for country support to the PRSP process and monitoring of Millennium Development Goals in a coherent fashion, maximizing complementarities of efforts. Among the UNDG priorities for 2003 is a thorough assessment of UNDG participation in the PRSP process, with the aim of assisting country teams in their supporting role.
- ⁴⁰ "Poverty Reduction Strategy Papers: progress in implementation", joint World Bank and IMF staff review, 13 September 2002.
- ⁴¹ UNIFEM is supporting the establishment of a gender network within the African Evaluation Association, providing training and opportunities to develop common tools, approaches and standards, and whose results are expected to facilitate the integration of lessons learned in the United Nations system operational activities.
- ⁴² A review of the resident coordinators' annual reports shows that nearly 40 country teams reported activities on the United Nations Girls' Education Initiative (UNGEI) launched in 2000 and approximately 35 addressed issues related to girls' education.
- ⁴³ The United Nations Inter-Agency Thematic Group on gender has contributed to the development of gender indicators to measure progress towards achieving the Millennium Development Goals, especially reducing feminized poverty, in the Commonwealth of Independent States. In 2001, 36 United Nations country teams reported using a gender perspective when developing or contributing to data-collection activities in areas such as capacity assessment, food security, microcredit, migration, poverty, trafficking and violence.
- ⁴⁴ See UNIFEM, *Women, War, Peace: The Independent Expert Assessment on the Impact of Armed Conflict on Women and Women's Role in Peace-building* (New York, 2002), based on the contributions of Elisabeth Rehn (former defence minister of Finland) and Ellen Johnson Sirleaf (former presidential candidate of Liberia), who undertook 14 missions to document women's voices and experiences as survivors, peace-builders and aspiring policy makers, in conflict and post-conflict situations.
- ⁴⁵ Such as the CCA, the UNDAF and the Consolidated Appeals Process.



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United Nations conferences and summits:
follow-up to the International Conference
on Financing for Development**

**Summary by the President of the Economic and Social
Council of the special high-level meeting of the Council with
the Bretton Woods institutions and the World Trade
Organization (New York, 14 April 2003)**

Summary

The 2003 special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization (WTO) provided a unique occasion for substantive deliberations on the implementation of the Monterrey Consensus of the International Conference on Financing for Development at all levels one year after the Conference. Those proceedings can provide important input to the high-level dialogue of the General Assembly on financing for development, to be held on 29 and 30 October 2003. Indeed, participants in the dialogue may wish to pay special attention to the following points.

With regard to process, the decision in situ by the Chairs of the round tables to focus the dialogue in each round table on a different theme of the Monterrey Consensus proved successful. It led to fruitful discussions in all round tables and in the plenary. This thematic approach should be taken into account in the organization of the high-level dialogue.

* A/58/50/Rev. I and Corr. I.
** E/2003/100.



As to substance, the discussion in the Council suggests that the high-level dialogue of the General Assembly should address the following key issues of central concern:

- Improved measurement of national and international efforts and outcomes for the implementation of the Monterrey Consensus, including aid flows and their impact
- Additional steps that could be taken after the WTO Ministerial meeting in Cancún, Mexico, to increase the chances that the multilateral trade negotiations under the Doha Development Agenda are completed on time
- National and international measures to enhance debt sustainability of low-income countries in order to reduce the frequency and amplitude of debt defaults
- Further exploration of mechanisms for orderly debt workouts with multi-stakeholder participation
- Strengthened participation of developing countries in decision-making processes on economic policies, particularly in the international financial institutions
- Increased coherence on a priority basis in the areas identified at the meeting (see section VI below).

I. Introduction

1. The special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization (WTO) was held on 14 April 2003. The theme of the meeting was "Increased coherence, coordination and cooperation for the implementation of the Monterrey Consensus of the International Conference on Financing for Development at all levels one year after the Conference". The meeting had before it a note by the Secretary-General (E/2003/50) that provided background information and raised a number of questions for consideration. Major stakeholders in the financing for development process gathered in the first fully reconstituted meeting after Monterrey to take stock of and maintain the political momentum for the implementation of agreements and commitments reached at the International Conference on Financing for Development.¹
2. The Monterrey Consensus² gave a specific role to the annual spring meetings of the Economic and Social Council with the Bretton Woods institutions in the follow-up to the Conference. The preparations for the 2003 meeting and its format were thus changed to enable it to fulfil that new role. Preparations involved extensive consultations within the Council and with the management of the Bretton Woods institutions and WTO, as well as a meeting with Executive Directors of the World Bank. In addition, informal hearings and dialogue with members of civil society and the business sector were held on 20 and 21 March 2003. The outcome of those contacts was presented at the 14 April meeting (see addenda 1 and 2 to the present report).
3. The format of the meeting featured a brief opening plenary, followed by four parallel round tables. The round tables consisted of interactive discussion on, respectively, systemic issues, financial cooperation and debt, policy coherence in the area of trade and investment, and domestic economic and social policies. A resumed afternoon plenary was devoted to reporting back on the discussions in the round tables and to a further debate. The Chairs and co-Chairs of the round tables were: Trevor Manuel, Chair of the Development Committee of the Bretton Woods institutions and Minister of Finance of South Africa, and Louise Frechette, Deputy Secretary-General of the United Nations, for round table 1; Hilde Frafjord Johnson, Minister of International Development of Norway, and Francisco Thompson-Flores, Deputy Director-General of WTO, for round table 2; Mary Whelan, Chair of the Trade Policy Review Body of WTO, and Shengman Zhang, Managing Director of the World Bank Group, for round table 3; and Fathallah Oualalou, Minister of Economy, Finance, Privatization and Tourism of Morocco, and Eduardo Aninat, Deputy Managing Director of the International Monetary Fund (IMF), for round table 4.
4. A new feature in the 2003 meeting was the participation of a representative of the WTO intergovernmental machinery, the Chair of the Trade Policy Review Body of WTO, as well as of the President of the General Assembly and a significant number of Executive Directors of the World Bank and IMF. In addition, the Chairs of the Development Committee and of the Group of 24, and senior officials of the United Nations, World Bank, IMF, the United Nations Development Programme and other United Nations agencies took part in the event. Other participants included ministers of finance, ministers of development cooperation, governors of central banks and heads of international organizations, and a rich mix of high-level officials in the areas of trade, finance, development cooperation and foreign affairs (see

E/2003/INF/3). Representatives of non-governmental organizations and the private sector participated in the plenary and round tables in greater numbers than in the past.

5. What follows is a summary of the deliberations largely structured according to the leading issues addressed in each of the four round tables. Since ministers and representatives referred to the current economic situation, particularly when presenting the outcome of the recent spring meetings of the Bretton Woods institutions, a brief initial section on that topic is also included.

II. The world economic outlook

6. Several ministers and representatives of multilateral institutions referred to the state of the world economy. They pointed out that global economic growth remained unsatisfactory. Private investors remained hesitant and consumer confidence was weak. In most developed countries output remained well below potential. There were positive signals for an improvement of overall conditions in the second half of 2003, yet political and economic uncertainties still clouded the horizon. Serious downward risks, mostly on account of global imbalances, might prevent the acceleration of world economic growth in the near future. The challenge for national policy makers and strengthening international cooperation was huge.

7. There were widespread concerns about the economic impact of the war in Iraq, particularly on developing countries. Substantial humanitarian and development assistance to the people of Iraq was necessary. In that respect, the International Monetary and Financial Committee of the Board of Governors of IMF and the Development Committee had noted that a new resolution from the Security Council would be required. Should that resolution be forthcoming, the Bretton Woods institutions stood ready to support economic and social development in Iraq.

8. The plight of low-income countries, particularly those in sub-Saharan Africa, continued to require the sustained attention of the international community. Volatile and weak commodity prices, drought and the effects of the HIV/AIDS pandemic in a significant number of countries presented major obstacles to sustained economic growth and development. Many of those countries had made remarkable strides in economic reform. Yet, official development assistance (ODA) and the trade environment had not improved as expected. The Monterrey Consensus had called for substantial increases in ODA, enhanced debt relief and progress in the trade negotiations, but according to a number of ministers, results had failed to materialize so far. The attainment of the Millennium Development Goals³ was being jeopardized.

9. The decline in private financial flows to developing countries was an additional concern. It was particularly important to re-establish the conditions for increased foreign investment flows. That required domestic measures to reduce vulnerabilities and collective efforts to restore confidence in the international economy.

10. A number of ministers and many representatives put forward broad guidelines for sustained world economic recovery. Perseverance with pro-growth macroeconomic policies was necessary in most developed countries in the short term. Actions were also necessary to correct current global imbalances in a medium-

term framework. Improved structural policies were required in virtually all countries, as agreed in the Monterrey Consensus.

11. The realization of a more dynamic world economy benefiting all countries rested on four pillars: (a) peace and political stability, particularly in countries currently affected by serious conflicts; (b) establishment of a stable international economic and financial environment; (c) decisive steps towards attaining the Millennium Development Goals, including by substantial increases in ODA; and (d) progress in multilateral trade negotiations under the Doha Development Agenda,⁴ especially by improving market access for the agricultural products of developing countries by eliminating trade-distorting subsidies and reducing domestic support schemes in advanced countries.

III. Domestic policy approaches

12. Ministers and representatives stressed that each country had responsibility for its own economic development. At the same time, it was recognized that policies by both developed and developing countries were necessary to generate stronger economic growth and achieve sustainable development. In developing countries, it was important to: (a) improve the environment for investments and private sector activity, including macroeconomic stability and enhancing physical infrastructure; (b) strengthen governance; and (c) increase human capital through broader and more effective delivery of social services.

13. Governance was the starting point on the road to successful development. Yet, it was difficult to develop solid institutions in low-income countries, particularly when qualified human resources were scarce. A major effort in education supported by international cooperation was indispensable. Moreover, it was necessary to reduce the waste of resources in all countries by eliminating corruption.

14. Sound macroeconomic policies and progress in structural reforms were necessary not only for sustained economic growth but also for achieving poverty eradication goals. Some participants stated that capital flight — which in some cases exceeded financial assistance — was undermining investments in many countries. That could be a signal that policies had to be modified. Regarding fiscal management, it was noted that strict annual deficit and expenditure targets often prevented countries from carrying out additional public investments that could be financed through development loans from abroad or through revenues from privatization. Such obstacles could be overcome without hindering long-term fiscal sustainability by adopting a medium-term fiscal framework as well as by separating consumption and investment expenditures in the annual budget.

15. Many representatives stressed that effective ownership and participatory approaches in the design of domestic policies and institutional changes were the key to their successful implementation. But a long-term vision and continuity in the reform process were also necessary. Results were rarely immediate or automatic and required perseverance and strong leadership to maintain the pace of reform. In a number of cases, before embarking on an ambitious reform programme it was advisable to estimate carefully and analyse its social and economic costs and benefits. A joint consideration of such costs and benefits with development partners supporting the reform programme could substantially increase the effectiveness of

development assistance while at the same time improving the timing and sequence of the reforms being pursued.

16. In a large number of countries, especially in Africa, modernization of agriculture was the key to sustainable development, since the bulk of gross domestic product and employment originated in that sector. However, national development strategies to take full advantage of the potential of that sector faced some constraints, including unfair competition from many advanced countries and conditions set down in adjustment programmes that prevented the use of subsidies for fertilizers. In addition, in most developing countries the potential for small- and medium-scale enterprises was vast. Improved access to credit, including microcredit, was central to realize the entrepreneurial capacities of men and women. It was recalled that in the United States small- and medium-scale enterprises continued to provide over half of employment opportunities.

17. Several ministers stressed that reviewing progress made towards the Millennium Development Goals was one of the keys to their effective implementation. Developing countries played a critical role in the monitoring process; therefore, their capacity to measure results should be improved. The Millennium Development Goals provided a focal point for partnership efforts of developing and developed countries and they were to be reflected in their national policies. In that context, the importance of anchoring the efforts to achieve the Millennium Development Goals in the Poverty Reduction Strategy Papers (PRSPs) was underlined. Moreover, some participants stressed that the cross-cutting nature of human rights, gender equality and the empowering of women should be recognized as critical to the achievement of all development goals.

18. According to several participants, international institutions were frequently inclined to lecture countries regarding appropriate policy approaches. Yet, many pointed out that domestic policy approaches were country-specific. There was no global formula and a measure of flexibility and realism in the implementation of reforms was crucial. It was suggested that international institutions should improve their capacity for a more effective dialogue with recipient countries.

IV. International trade

19. Multilateral trade negotiations under the WTO Doha Development Agenda concentrated the attention of most participants in the trade discussions at the meeting. Negotiations had become more complex. Not only had the variety of issues increased, but so had the number of countries and specific interests involved in the negotiations. It was difficult to assess the whole picture at the current stage. Many might see the glass as half empty while others might see it as half full.

20. The Doha Declaration reflected a strong development perspective. Trade was an engine for growth, as underlined in the Monterrey Consensus. The implementation of the Doha Development Agenda was an ambitious undertaking for WTO, a government-driven organization, in which developing countries comprised a significant majority. It was critical to move forward the negotiations before the WTO Ministerial Meeting in Cancún in September 2003 so that the meeting could harvest the substantial progress. Many representatives indicated that major strides at Cancún were necessary to restore the credibility of the multilateral trading system.

21. Progress so far had been uneven. Some areas of special interest to developing countries posed significant problems: agricultural trade liberalization in developed countries, operationalization of special and differential treatment for developing countries, trade-related aspects of intellectual property rights (TRIPS) and public health-related issues, and the difficulty experienced by a number of developing countries in implementing agreements. Nevertheless, in some areas of the so-called Singapore issues — investment rules, competition policies, transparency of government procurement and trade facilitation — there was forward movement. Yet, there were different views on how those issues should be treated in the forthcoming negotiations. While some participants reaffirmed the importance of treating them jointly and keeping them as a key element of the negotiations, others questioned their priority, while still others suggested that they should be treated individually.

22. A number of ministers and representatives stated that it was critical to improve market access for developing countries. That required primarily the elimination of trade-distorting subsidies and the reduction of support measures for agriculture, and the removal of tariff peaks in developed countries. Yet, it was noted that the erosion of trade preferences and non-subsidized agricultural imports would have an adverse impact on several developing countries.

23. According to some participants, it was necessary to incorporate human rights and environmental and gender perspectives into trade policies. The potential conflict between the environmental agreements and the WTO agenda was highlighted. In that context, a number of representatives felt that environmental standards should not be employed as a restraining instrument for market access.

24. Several representatives underlined the need of trade-related technical assistance for national capacity-building and stressed the key role of the United Nations Conference on Trade and Development in that regard. Such assistance was critical for many countries to enable them to participate effectively and benefit from the multilateral trade negotiations. Additionally, it was important to consider assistance to address supply-side constraints. That could be particularly relevant in the case of least developed countries and heavily indebted poor countries to enable them to take advantage of increasingly liberalized markets. Moreover, it was proposed to use the WTO Trade Policy Reviews as a mechanism to consider national trade policy in the context of overall national development and poverty reduction strategies.

V. Financial cooperation and external debt

25. Various ministers and many other participants referred to the critical role of ODA in achieving the Millennium Development Goals. The additional annual amount of US\$ 12 billion pledged in Monterrey was an important step. However, money was not coming quickly enough and the pledges in Monterrey fell far short of the additional US\$ 50 billion that was estimated to be necessary to achieve those goals. It was important that donor countries deliver on their commitments to attain the 0.7 per cent target. Some representatives pointed out that it seemed to have been easier to mobilize billions of dollars for the war in Iraq than for poverty alleviation. In many developing countries, poverty remained rampant and national efforts to eradicate it required international support. Moreover, the economies of most low-

income countries remained vulnerable to severe shocks that would set back national efforts unless aid was forthcoming.

26. The proposal made by the United Kingdom to create an international financing facility to bring forward ODA disbursements through 15-year bond issues to be serviced with future ODA flows was seen as an interesting innovation to speed up aid flows. It seemed important to continue to explore innovative ways to increase ODA. It was also proposed that mechanisms be developed to monitor ODA publicly in order to identify actual flows and reduce the time lag of disbursements.

27. The decline in international private flows was a concern shared by several representatives. While an improved domestic and international environment should go a long way to increase such flows substantially, ODA could make a significant contribution in leveraging such flows. Moreover, enhancing public/private partnerships, as for example in infrastructure development, could also help to mobilize additional international private flows.

28. Several ministers and representatives stressed that ODA effectiveness had become a critical issue. In several areas, changes were taking place, but much remained to be done by donors and recipients on their own and jointly. Greater coordination of donor policies and harmonization of procedures were necessary. Such measures, together with untying of aid, could significantly reduce transaction costs for recipient countries. The latter had to refine budget procedures and develop indicators to improve the impact assessment of aid projects. It was important that donors not multiply demands for information and that they assist in streamlining the indicators to be requested. In addition, the proliferation of separate international sectoral programmes with their respective different funds to deliver them was a cause for concern. The view was expressed that no new international funds for special sector needs should be created.

29. The fact that much unfinished business remained in the Heavily Indebted Poor Countries (HIPC) Initiative was a concern shared by many participants. Although there had been some progress in its implementation, only a few countries had reached the completion point and, in some of those cases, debt sustainability was still in question, particularly since the prices of primary commodities were depressed. The commitments to fill the financial gap in the HIPC Trust Fund were welcome. Fulfilling such commitments, together with the national efforts of beneficiary countries and more flexible conditions, could significantly expedite increasing the number of countries reaching the completion point.

30. The inclusion of collective action clauses by an increasing number of countries in international sovereign bond issues was a welcome step. The efforts made by IMF in developing a concrete proposal for a sovereign debt restructuring mechanism (SDRM) had served to promote better understanding of the issues to be addressed in resolving financial crises. It was also stated that during the consideration of the mechanism, several issues of general relevance to the orderly resolution of financial crises had been brought up. Thus, it was important that work on those issues should continue.

31. There were several suggestions on approaches to tackle the debt problems of developing countries. Some called for a policy to cancel what they considered illegitimate external debt. There was a proposal to expand the HIPC Initiative to non-HIPC countries straining to service their debts. There was also a call for

adopting a debt-sustainability criterion for highly indebted poor countries that would facilitate the achievement of the Millennium Development Goals. It was suggested that an open, joint working group on debt within the framework of the Financing for Development process which would include all the relevant stakeholders — debtor countries, creditors, experts and civil society representatives — should be established to recommend a coherent debt work-out mechanism to be applied when needed to crisis countries. It was also suggested that Governments consider a code of conduct for debtor-government behaviour during external debt crises on the basis of a proposal developed by a group of private financial organizations.

VI. Coherence and governance

32. One representative stated that coherence should be viewed as how Governments, institutions and non-governmental participants could best pull together the many distinct strands of economic policy into a clear framework for action. That is, how they could work together in fulfilling the commitments made at Monterrey. Gradually, there had been a convergence of views among the main actors that boded well for the challenges of implementing the Monterrey Consensus.

33. Policy coherence was crucial at the domestic and international levels. Several ministers emphasized that the foundation for international economic policy coherence lay at the national level. Effective coordination was indispensable among the ministries of finance, trade, development cooperation and foreign affairs. Instructions to country representatives to the United Nations, the Bretton Woods institutions and WTO should be consistent with the commitments in the United Nations Millennium Declaration,⁵ the Doha Ministerial Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation.⁶

34. Several representatives identified areas in which increased coherence was particularly important. Increased market access for developing countries was necessary for smooth external debt servicing. Trade and aid policies as well as TRIPs and the provision of low-cost generic drugs had to be mutually supporting. Modernization of agriculture and accelerated rural development in low-income countries needed liberalization of international agricultural markets. Effective ownership of development policies required donors to be more sensitive to the needs and structural weaknesses in recipient countries.

35. A number of participants pointed out that there was progress towards increased coherence. The current meeting was a testimony to that. The United Nations, the Bretton Woods institutions and WTO shared a common purpose and cooperative work on the Millennium Development Goals and the follow-up to the Monterrey Consensus had intensified. In that context, it was mentioned that the PRSP approach — a key instrument for policy coherence in low-income countries — had become a common denominator among multilateral institutions. IMF was aligning the Poverty Reduction and Growth Facility to PRSP requirements. Moreover, in its surveillance work in developed countries, IMF was increasingly raising the issue of policy coherence, which was an important tenet of the Monterrey Consensus.

36. Several representatives were of the view that a development policy review mechanism should be considered. The scheme — largely modelled on the WTO Trade Policy Review Mechanism — would serve as a basis for intergovernmental and expert-level discussions in the United Nations by the Second Committee of the

General Assembly and the Committee for Development Policy, respectively. Under that proposal, individual developed and developing countries would submit on a voluntary basis to a review of their policies and their mutual coherence in the context of commitments made in the Millennium Declaration, the Monterrey Consensus and the Brussels Declaration⁷ and the Programme of Action for the Least Developed Countries.⁸ It was also stated that, within the framework of the Financing for Development process, the United Nations should become a central forum for discussions on innovative proposals on financial issues, with the participation of all relevant stakeholders.

37. Some ministers and a number of participants expressed fundamental concerns regarding the process of international decision-making. In an era of globalization and interdependence, multilateral cooperation and the institutional approaches that had long characterized the governance of the international system were under stress. The Monterrey Consensus had identified a major gap in governance. For all countries enhanced domestic governance was the key to sustained economic growth and equitable development. Furthermore, enhanced governance at the national level had to be complemented by improved governance at the international level, including more effective participation and representation of all members of the international community in the decision-making process.

38. Many representatives stressed that the voice and representation of developing countries in economic decision-making should be strengthened, as agreed in the Monterrey Consensus. It was stated that participants in the recent Development Committee meeting had considered the issue of participation. Some initial steps had been taken in the Bretton Woods institutions to enhance the voice of some developing countries. The members of the Development Committee intended to follow up on the issue at its next meeting in September 2003. Several representatives welcomed the discussions on increasing the voice of developing countries in the Development Committee as well as the decision by WTO to facilitate access to non-members. However, several speakers were of the view that not enough had been achieved to enhance the effective participation of developing countries in the Bretton Woods institutions.

39. A number of ministers and various participants put forward diverse proposals. At the United Nations, the proposal to establish an economic security council was reiterated. At the Bretton Woods institutions, a "rebirth" could be considered in the context of their sixtieth anniversary; redistribution of votes could be an important element to explore. To enhance the voice and participation of developing countries there was a need to reduce the size and complexity of the governance structure of the Bretton Woods institutions, for example, by reducing the number of ad hoc groupings of countries. More cooperative efforts should be deployed to enhance the capacity of poor countries to be represented and articulate their position in the Bretton Woods institutions and WTO more effectively. Proposals should be explored for new decision-making approaches within the United Nations framework. It was necessary to strengthen and use increasingly regional institutions and groupings as a way to enhance the voice and participation of smaller and poorer countries in financial and economic decision-making.

VII. Concluding observations: staying engaged

40. The consideration by the Economic and Social Council of the outcome of the 2003 spring meetings of the Bretton Woods institutions and of the note by the Secretary-General (E/2003/50) prepared for the special high-level meeting of the Council with the Bretton Woods institutions and WTO provided very rich material on which the Council could build. As identified in the Monterrey Consensus, the theme of coherence and consistency of the international monetary, financial and trading systems in support of development was at the core of the discussions at the meeting. A key challenge addressed was how governmental and non-governmental organizations could best pull together the many strands of economic policy into a clear framework for action. The contribution of each participant — whether as representative of Government, international institutions, civil society or business — showed that the spirit of Monterrey was still very much alive. However, the discussions also showed that, despite some progress, there were significant gaps in implementation in some key areas. That signalled that all partners needed to strengthen their efforts towards comprehensive and swift implementation of the Consensus. The Council remained fully engaged in working with all stakeholders towards that goal.

41. Speakers expressed appreciation for the approach followed in the organization and format of the 2003 meeting and the several innovations that had enhanced its discussions. Member States were called upon to provide further feedback on how the annual spring meeting of the Council and the high-level dialogue of the General Assembly could best serve their purpose of furthering engagement in the implementation of the Monterrey Consensus. The Ad Hoc Working Group of the General Assembly on the Integrated and Coordinated Implementation of and Follow-up to the Outcomes of Major United Nations Conferences and Summits in the Economic and Social Fields was expected to lead to concrete recommendations that could strengthen political engagement in the pursuit of development goals, including on the most effective mechanism for monitoring and review of progress, and on how to carry forward, in the work of the United Nations, the new approaches and spirit that had emerged in the preparatory process for the Monterrey Conference.

42. Several participants stressed the critical role of the Bretton Woods institutions and WTO in the development process and in the implementation of the Monterrey Consensus and the importance of benefiting from their expertise and know-how. Many speakers welcomed the sense of ownership of the Consensus by the international financial and trade institutions and they expressed the will to implement it. The gathering sense of common purpose boded well for tackling the formidable challenges ahead. There was a need for further strengthening the cooperation on technical issues of mutual concern between the secretariats of the major institutional stakeholders concerned. The contribution of civil society and the private sector, especially by creating a positive and transparent atmosphere and concrete initiatives, was also noted. It was mentioned that the European Union would undertake a first review of its own follow-up to Monterrey in May 2003, when it was expected to finalize an action plan on ODA. A number of participants stated that the positive impact of the Consensus was only starting to surface, pointing to the need for its full implementation.

43. The high-level dialogue at the upcoming General Assembly would be an important opportunity for taking stock more fully of progress made in the implementation of the Monterrey Consensus and for considering further steps. In preparing for that dialogue, certain aspects of the discussions in the 2003 meeting of the Council with the Bretton Woods institutions and WTO might be of special relevance. In particular, it was clear that the *in situ* decision of the Chairs of the round tables to narrow the focus of the dialogue in each round table to a separate theme of the Monterrey Consensus had led to fruitful discussions in all round tables and in the plenary. Indeed, the emphasis given to some key subjects suggested that they were especially salient to Member States and should receive focused attention during the high-level dialogue. Those key subjects were:

(a) The partnership of developed and developing countries embodied in the Monterrey Consensus required effective measurement of national and international efforts and outcomes in the implementation process. What could countries do individually and collectively to improve such measurement, including of aid flows and their impact?

(b) Enhanced market access for developing countries, particularly in agriculture was seen as critical for raising exports and accelerating development. What steps could the General Assembly take after the Cancún Ministerial Meeting of WTO in September in order to increase the chances that the multilateral trade negotiations under the Doha Development Agenda were successfully completed on time?

(c) It remained an open question whether low-income countries, in some cases even after relief under the HIPC Initiative, had sustainable external debt burdens. What more could be done domestically and internationally to reduce the risks of the return of external debt problems?

(d) There was unfinished business regarding international approaches to orderly debt workouts and further multi-stakeholder reflection was warranted. How could the United Nations facilitate such a process?

(e) Representation of developing countries in decision-making on international economic policy needed strengthening, particularly in the Bretton Woods institutions, as expressed in the meeting. How might the high-level dialogue of the General Assembly support governance reform efforts in those institutions?

(f) Several policy areas in which coherence was lacking were identified in the discussions, as summarized in the present report. Should the international development agenda explicitly seek to resolve such coherence problems on a priority basis?

Notes

¹ *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7).

² *Ibid.*, chap. I, resolution I, annex.

³ A/56/326, annex.

⁴ See A/C.2/56/7, annex.

⁵ See General Assembly resolution 55/2.

⁶ *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex.

⁷ A/CONF.191/12.

⁸ A/CONF.191/11.
